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VILLAGE OF MORGANZA, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2002

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the entity and other appropriate public officials. The report is available for public inspection at the Bogalusa Branch office of the Louisiana Auditor General, or, where appropriate, at the office of the parish clerk of court.

Release Date 8/5/03

VILLAGE OF MORGANZA
POINTE COUPEE PARISH, LOUISIANA
P. O. BOX 66
MORGANZA, LA 70359
(225) 694-5655

MAYOR
Charles Lindsey

ALDERMEN
John Mitch Laughton, Gas Commissioner
Salvador J. Tumacillo, Water & Sewer Commissioner
Carmella Gueby, Tourism & Beautification Commissioner

CITY MANAGER
Mark S. Ramagos

CITY CLERK
Diane Grantham

CHIEF OF POLICE
Joseph B. Robillard

MEETING DATE
1st Thursday of Every Month
7:00 PM - Town Hall

**VILLAGE OF MORGANZA, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2002
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FOR THE YEAR ENDED JUNE 30, 2002
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George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT
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INDEPENDENT AUDITOR'S REPORT

The Honorable Charles Landry, 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, 2002, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of the management for the Village of Morganza, Louisiana. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Consensus Governmental Audit Guide*. Those standards and the guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. 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, 2002, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 17, 2003, on my consideration of the Village of Morganza, Louisiana's internal control over financial reporting and my 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 my audit.

George F. Delaune, CPA

January 17, 2003

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GENERAL PURPOSE FINANCIAL STATEMENTS

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VILLAGE OF MINNEAPOLIS, IOWA
COMBINED BALANCE SHEET - ALL FUNDS TYPES AND ACCOUNT GROUP
JUNE 30, 2014

	Assets	Governmental Fund Type	Proprietary Fund Type	Account Group - General Fund Items	Funds - Miscellaneous Only
		General	Enterprise	Fund Items	
Cash		\$ 25,000	\$ 160,000		\$ 185,000
Receivables -					
Vendors		4,500			4,500
Utility billing			100,000		100,000
Due from General Fund			15,000		15,000
Due from other governmental units -					
Iowa State - Debt Trust		600			600
Iowa State - Intergovernmental		1,000			1,000
Iowa State - Public Safety (police)		1,000			1,000
Iowa State - Metropolitan government		1,000			1,000
Capital equipment			12,000		12,000
Equipment, Fleet and Equipment -					
Assets			1,750,000	\$ 144,114	1,894,114
Accumulated depreciation			(850,000)		(850,000)
TOTAL ASSETS		\$ 33,100	\$ 1,927,000	\$ 144,114	\$ 2,004,214
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts payable		\$ 500	\$ 5,000		\$ 5,500
Accrued liabilities -					
Utilities		500			500
Payroll liabilities		1,000	2,000		3,000
Due to Public Utility Fund		10,000			10,000
Due to other governmental units -					
P.C. Funds - Total Water Service			10,000		10,000
Common deposits			10,000		10,000
Total Liabilities		\$ 12,000	\$ 25,000		\$ 37,000
Fund Equity					
Unassigned capital			1,800,000		1,800,000
Governmental general fund assets				\$ 144,114	144,114
Bonded liabilities - premiums			400,000		400,000
Fund balance - unassigned/undesignated		10,000			10,000
Total Fund Equity		\$ 21,100	\$ 1,877,000	\$ 144,114	\$ 2,004,214
TOTAL LIABILITIES AND FUND EQUITY		\$ 33,100	\$ 1,952,000	\$ 144,114	\$ 2,008,428

The accompanying notes are an integral part of this statement.

VILLAGE OF MORGANA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDING JUNE 30, 2003
With Comparative Total for 2001

	<u>2003</u>	<u>2001</u>
Revenues		
Taxes	\$ 81,082	\$ 65,511
Licenses and permits	35,154	40,000
Intergovernmental services	24,507	13,541
Sales and forfeitures	20,044	50,580
Miscellaneous revenues	1,377	1,390
Total Revenues	156,977	152,482
Expenditures		
Current operations		
Salaries and benefits	78,930	77,356
Purchased professional services	1,289	2,873
Utilities	16,476	19,044
Other purchased services	27,873	29,838
Repairs, maintenance and supplies	34,194	50,627
Capital outlays	11,027	3,094
Total Expenditures	155,739	182,832
Recess Amount (Expenditures)	1,238	1,618
Final Balance—July 1	1,000	11,777
FUND BALANCE - June 30	\$ 1,238	\$ 13,165

The accompanying notes are an integral part of this statement.

VILLAGE OF BORGARDA, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS) - GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2002

	Current Fund		Variance Favorable (Disfavorable)
	Budget	Actual	
Revenues:			
Fees	\$ 62,000	\$ 60,883	\$ 11,117
Licenses and permits	14,000	15,304	4,304
Intergovernmental revenues	33,000	34,897	1,897
Fines and forfeitures	26,500	26,833	333
Miscellaneous revenues	3,500	3,551	51
Total Revenues	<u>143,500</u>	<u>141,577</u>	<u>2,323</u>
Expenditures:			
Current Operations:			
General government	44,500	50,794	4,694
Police department	81,700	44,508	37,192
Street department	49,000	12,464	36,536
Capital Outlays:			
General government	1,000	1,408	708
Police department	3,410	10,504	7,094
Street department	34,890	597	34,293
Total Expenditures	<u>164,117</u>	<u>140,275</u>	<u>23,842</u>
Excess Revenues (Expenditures)	<u>(40,617)</u>	<u>3,252</u>	<u>43,869</u>
Operating Transfers:			
From Public Utility	42,000		42,000
Excess Revenues and Transfers (Expenditures)	<u>(4,617)</u>	<u>3,252</u>	<u>7,869</u>
Fund Balance - July 1	<u>7,387</u>	<u>7,387</u>	
FUND BALANCE - June 30	<u>\$ 4,770</u>	<u>\$ 10,639</u>	<u>\$ 6,469</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF MORGAN, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE (ENTERPRISE FUNDS)
FOR THE YEAR ENDING JUNE 30, 2002
With Comparative Total for 2001

	<u>2002</u>	<u>2001</u>
Operating Revenues		
Charges for services	\$ 158,458	\$ 158,472
Contracted service charges	858	1,472
Franchise charges	7,524	7,882
Total Operating Revenues	<u>166,840</u>	<u>167,826</u>
Operating Expenses		
General and administrative	(64,875)	(65,752)
Natural gas department	151,798	183,129
Water department	18,025	48,886
Sewer department	(55,898)	(57,524)
Total Operating Expenses	<u>158,900</u>	<u>173,283</u>
Operating Income	<u>7,940</u>	<u>(9,457)</u>
Non-operating Revenues (Expenses):		
Trolley selling fee	1,716	1,096
Interest earned	11,875	15,298
Rural development grant	—	14,875
Miscellaneous revenue	4,154	—
Total Non-operating Revenues (Expenses)	<u>17,745</u>	<u>31,269</u>
Net Income (LOSS)	<u>25,685</u>	<u>(21,188)</u>
Retained Earnings - July 1	<u>355,007</u>	<u>426,125</u>
RETAINED EARNINGS - June 30	<u>\$ 380,692</u>	<u>\$ 394,937</u>

The accompanying notes are an integral part of the statement.

VILLAGE OF MORGANZA, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2003
With Comparative Total for 2001

	<u>2003</u>	<u>2001</u>
Cash Flows from Operating Activities		
Operating income	\$ 8,178	\$ (97,255)
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	88,601	75,156
Value billing fee	3,190	2,990
Miscellaneous revenues	4,354	
Changes in assets and liabilities -		
Decrease (increase) in receivables	(44,687)	(39,892)
Decrease (increase) in due from General Fund	(1,068)	(5,191)
Decrease (increase) in prepaid insurance	627	2,188
Increase (decrease) in accounts payable	(7,396)	(585)
Increase (decrease) in prepaid delinquencies	112	724
Increase (decrease) in due to Police Computer Audit Firm System	3,362	(1,576)
Increase (decrease) in consumer stores deposit liability	2,889	6,738
Net Cash Provided by (Used for) Operating Activities	<u>\$1,687</u>	<u>(69,913)</u>
Cash Flows from Capital and Related Financing Activities		
Bond - Road Development		14,871
Acquisition of capital assets		(37,535)
Net Cash (Used for) Capital and Related Financing Activities		<u>(22,664)</u>
Cash Flows from Investing Activities		
Interest earned	<u>20,871</u>	<u>15,281</u>
Net Cash Provided from Investing Activities	<u>20,871</u>	<u>15,281</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$3,955</u>	<u>(77,297)</u>
Cash and Cash Equivalents at July 1	<u>256,055</u>	<u>364,558</u>
CASH AND CASH EQUIVALENTS AT June 30	<u>\$ 259,997</u>	<u>\$ 287,261</u>

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 4, 1908, under the provisions of Title 51, Chapter 2, Part 4, of the Louisiana Revised Statutes (Louisiana 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 \$200 per month and each Council Member \$120 for each meeting attended. The Village of Morganza is located in Plaquemine Cadeau Parish with a geographic area of approximately six square miles. The estimated population as of July 1, 1997 was 759. The Village employs six full-time employees. The Village serves 460 gas customers, 526 water customers, and 278 sewer customers, and maintains 30 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:

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.

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

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 (i) related organizations, (ii) joint ventures and jointly governed organizations, and (iii) 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-Caspe 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:

First Precinct, District No. 2 of the Parish of Pointe-Caspe, Louisiana

This potential component unit has a separate board appointed jointly by the area governmental 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.

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 revenues, 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:

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

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

Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its management 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 measurable and available (i.e., when they become both measurable and collectible). "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. All ad valorem taxes and related state revenue sharing are recorded in the year the taxes are due and payable. All 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 47:1985 requires that the tax roll be filed on or before November 15 of each year. All 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 constituent 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.
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.

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

Other Financing Sources (Uses):

Transfers between funds that are not expected to be repaid (and any other financing sources) 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 basis 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 review 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.
3. There were no budget amendments; consequently, the financial statements present the original budgets.

Cash, Cash Equivalents, and Investments:

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 principal offices in Louisiana.

State statute authorizes the Village of Morganza, Louisiana to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

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 Due (Owe):

The Village uses the direct charge-off method whereby uncollectible amounts due from all sources 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.

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

Intangibles

Intangibles 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 systems, 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.

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 Absence

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 reflect 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 930 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 where such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Reserves

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

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

Designated Fund Balances

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

Severance and Site 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 on a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - LIMITED TAXES

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuations. 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 1976, 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 assessors 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.

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 taxpayer, 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 in June 30th are shown as accounts receivable.

The following is a summary of authorized and levied ad valorem taxes for the year 2001:

Parish	Authorized Millage	Levied Millage	Expiration Date
General Fund	7.00	6.94	Indefinite

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

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

The following are the principal taxpayers for the village and their 2001 assessed valuations:

taxpayer	Type of Business	Assessed Valuation	Tax Paid
Regions Bank of Louisiana	Banking	\$204,000	\$11,049
BellSouth Telecommunications, Inc.	Telephones	116,140	7,815
Energy Services, Inc.	Electric	39,600	2,409
Pointe Coupee Electric Membership Corp.	Electric	38,000	2,297
Joseph J. III & Stephanie B. Dering	Various	37,480	2,258
Union Pacific Railroad Co.	Railroad	34,464	2,078
Joseph C. & Rene E. Bergeron	Various	29,340	1,607
H. M. & W. Super Mart	Grocery	21,880	1,328
Guaranty Bank & Trust Company	Banking	20,580	1,208
Recreational Media Group LLC	Cable TV	17,540	1,062

NOTE 4 - CASH and CASH EQUIVALENTS

The following is a summary of cash and cash equivalents as June 30, 2002:

Demand deposits	\$ 1,308
Interest-bearing demand deposits	161,204
Total	<u>\$ 162,512</u>

These deposits are stated at cost, which approximates market. Under state statutes, these deposits may be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

As June 30, 2002, the Village has \$106,571 in deposits (collected bank balances). These deposits are insured from risk by \$106,000 of federal deposit insurance and \$407,164 of pledged securities held by the custodial bank in the name of the fiscal agent bank (Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of LAOE Statute No. 3, Louisiana Revised Statute 59:1275 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 - CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	7-1-2001	Additions	Deletions	6-30-2002
Land	\$ 2,000			\$ 2,000
Buildings	35,575			35,575
Equipment	114,581	\$ 12,217		126,798
	<u>\$ 152,156</u>	<u>\$ 12,217</u>		<u>\$ 164,373</u>

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

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

	7-1-1981	Additions	Depreciation	6-30-1982
Land	\$ 32,818			\$ 12,688
Machinery and equipment	41,958			41,198
Furniture and office equipment	11,570			11,978
Vehicles	47,811			47,981
Natural gas systems	214,829			214,029
Water system	696,825			696,823
Sanitary system	1,155,682			1,155,682
	<u>4,155,623</u>			<u>4,155,623</u>
Accumulated Depreciation	(767,171)	\$ (68,601)		(835,785)
	<u>\$ 3,388,451</u>			<u>\$ 3,319,838</u>

NOTE 6 - 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 1980. 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, 1982 is \$79,601.

NOTE 7 - CENTRALIZED COLLECTION AGENCY AGREEMENT

In accordance with Paragraph (B)(1) of Section 5 of Article VII of the Constitution of the State of Louisiana, the Village entered into an agreement on May 28, 1981 with all of the sales and use taxing jurisdictions 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, 1981, the agreement authorizes the Village to compensate the collection agency 1.15% of the gross amounts collected.

NOTE 8 - PENSION PLAN AND RETIREMENT COMMITMENTS

Social Security and Medicare -

All employees of the Village are members of the Federal Social Security and Medicare systems. The total payroll for employees of the Village covered by the System for the year ended June 30, 1982, was \$190,348.

The total contribution to the System is 15.3% of taxable payroll of which the Village and employees contribute 7.61% each. For the year ended June 30, 1982, the Village contributed \$9,971 to the System.

NOTE 9 - CONTINGENT LIABILITIES

There is no pending litigation against the Village.

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

NOTE 10 - COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 74 of the 1979 Session of the Louisiana Legislature, compensation paid to the mayor and board members is as follows:

Mayor	- Charles Landry	\$	1,600
Council Members	- Justin Mink Langlois		1,600
	- Salvador J. Tassinello		1,600
	- Carmella Gaudry		1,600
		<u>\$</u>	<u>6,700</u>

SUPPLEMENTAL DATA

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VILLAGE OF BIRMINGHAM, ALABAMA
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (GAAP BASIS) - GOVERNMENTAL FUND TYPE (GENERAL FUNDS)
FOR THE YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:			
Taxes:			
General property	\$ 10,000	\$ 10,814	\$ 814
Sales	50,000	50,889	889
Electric franchise	15,000	12,712	(2,288)
Cable TV franchise	4,000	4,871	871
Total Taxes	<u>\$ 89,000</u>	<u>\$ 89,386</u>	<u>\$ 386</u>
Licenses and Permits:			
Occupational - teachers	\$ 3,500	\$ 4,830	\$ 1,330
Occupational - insurance	10,000	10,994	994
Liquor and food permits	700	1,288	588
Total Licenses and Permits	<u>\$ 14,200</u>	<u>\$ 17,112</u>	<u>\$ 2,912</u>
Intergovernmental Revenues:			
Grant - La Crosse on State Reinsurance	\$ 1,800	\$ 3,505	\$ 1,705
Grant - La Police Supplemental pay	1,800	1,800	-
Grant - La Bond Development	15,000	15,000	-
Grant - La Urban Forestry	4,700	4,700	-
La - Bond issue	2,000	1,000	(1,000)
La - Police poker	4,000	4,715	715
Total Intergovernmental Revenues	<u>\$ 39,300</u>	<u>\$ 44,520</u>	<u>\$ 5,220</u>
Fees and Penalties:			
Traffic fines	\$ 28,700	\$ 28,055	\$ (645)
Miscellaneous Revenues:			
LEOFE gate revenue	\$ 1,914	\$ 1,996	82
Interest earned	800	400	(400)
Other	800	1,962	1,162
Total Miscellaneous Revenues	<u>\$ 3,514</u>	<u>\$ 4,358</u>	<u>\$ 844</u>

VILLAGE OF MORGANCA, MICHIGAN
SCHEDULE OF CURRENT OPERATING EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS) - GOVERNMENTAL FUNDS TYPE (GENERAL FUND)
FOR THE YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government:			
Salaries and Benefits:			
Mayor's per diem	\$ 1,400	\$ 1,400	
Council members' per diem	4,520	4,120	
Salaries - junior	1,200	1,200	
Group insurance	1,000		(1,000)
Unemployment compensation	16	307	(291)
Workers compensation	100		100
Health insurance and medicine	600	600	(0)
Uniform expense	150		150
Purchased Professional Services:			
Professional fees - legal	500		(500)
Professional fees - auditor	400	424	24
Professional fees - auditor	1,500	1,500	
Professional fees - accountant	1,000	175	1,125
Commissions and conference	200	505	(305)
Mayor's expense	800	1,071	(1,571)
Utilities:			
Electricity	1,500	1,208	292
Heating gas	500	445	55
Other Purchased Services:			
Insurance - fire	1,500	1,500	
Insurance - liability	4,100	3,850	250
Commodities - bonds	200	228	
Telephone	5,000	3,415	(1,585)
Bagging system	800	274	526
Website		483	(483)
Building and remodeling	500	500	(0)
Boat	400	305	95
Subscriptions	100		100
Tourism and promotion	1,000	1,000	(0)
Local welfare	750	750	(0)
Repairs, Maintenance and Supplies:			
Outings	1,700	1,889	(189)
Janitorial and other supplies	500	750	(250)
Equipment maintenance	5,400	2,679	2,721
Insulation program	5,000	1,800	3,200
Office supplies	2,300	2,436	(136)
Miscellaneous supplies	2,000	1,428	572
Total General Government	\$ 48,520	\$ 39,704	\$ 8,816

	Budget	Actual	Variance Favorable (Unfavorable)
Police Department -			
Salaries and Benefits -			
Salary - chief	\$ 21,000	\$ 11,769	\$ 19,231
Salary - auxiliary	30,000	18,440	4,560
Salary - police supplemental pay	1,000	6,688	
Group insurance	4,400	2,782	1,618
Workers compensation	1,145	5,283	(793)
Social security and medical	1,800	2,897	(947)
Uniform expense	1,000	204	796
Purchased Professional Services -			
Psychological testing	150		150
Other Purchased Services -			
Insurance - liability	4,360	5,288	1,928
Insurance - vehicles and equipment	1,884	1,145	(739)
Telephone	900	774	126
Exam	25	18	
Fees - law enforcement	1,000	949	151
Repairs, Maintenance and Supplies -			
Vehicle - gas and oil	2,800	1,758	542
Vehicle - maintenance	400	1,405	(1,005)
Police supplies	1,700	966	734
Tools and equipment	200	48	152
Equipment maintenance		144	(144)
Miscellaneous supplies	470	182	272
Total Police Department	\$ 81,780	\$ 61,332	\$ 19,448
Street Department -			
Salaries and Benefits -			
Salary - laborers	\$ 19,000	\$ 11,717	\$ 7,283
Group insurance	2,000	1,782	1,218
Workers compensation	5,000	3,664	1,336
Social security and medical	1,500	1,644	(144)
Uniforms -			
Street lighting	7,200	4,046	3,154
Equipment	1,000	1,007	(7)
Other Purchased Services -			
Insurance - liability	984	1,211	(227)
Insurance - vehicles and equipment	682		682
Repairs, Maintenance and Supplies -			
Maintenance of streets	270	11,000	(10,730)
Tools/equipment	500		500
Street signs and posts	200		200
Vehicle - gas and oil	2,000	1,146	1,854
Vehicle - maintenance	1,000	91	909
Tractor - gas and oil	400	900	(500)
Tractor - maintenance	2,000	1,082	1,918
Small tools and supplies	2,000	1,708	292
Chemicals - weed control	200	145	55
Miscellaneous supplies	700	1,612	(912)
Total Street Department	\$ 45,000	\$ 31,464	\$ 13,536

**VILLAGE OF MORRIS, LOUISIANA
SCHEDULE OF OPERATING EXPENSES
PROPERTY FUND- TYPE (ENTERPRISE FUND)
FOR THE YEAR ENDED JUNE 30, 2003
With Comparative Total for 2001**

	2002	2001
General and Administrative :		
Salaries and Benefits -		
Salary - superintendent	\$ (9,481)	\$ (8,971)
Salary -clerk	15,397	8,405
Salary -clerk	15,414	14,876
Salary -clerk	11,311	10,387
Group Insurance	3,990	3,900
Unemployment compensation	184	21
Workers compensation	1,661	1,275
Social security and medicare	4,388	3,841
Purchased Professional Services -		
Professional fee - auditor	1,880	1,880
Professional fee - other	271	990
Other Purchased Services -		
Insurance	2,571	1,311
Telephone and paging	481	474
Printing	440	176
Continuing education	1,990	2,480
Dues	443	275
Repairs, Maintenance and Supplies -		
Vehicle - gas and oil	1,271	1,480
Truck maintenance	288	1,581
Equipment maintenance	118	288
Tractor maintenance	142	418
Office supplies	1,071	1,162
Perishable	2,187	1,088
Miscellaneous	1,790	1,250
Depreciation	7,080	11,540
Total General and Administrative	\$ 84,871	\$ 104,172
Natural Gas Department:		
Purchased Professional Services -		
Cathodic protection survey	\$ 1,815	\$ 1,686
Safety and education	748	748
Leakage survey	156	107
Drug testing	-	-
Utilities -		
Recycled water	1,179	891
Other Purchased Services -		
Insurance	1,664	1,271
Repairs, Maintenance and Supplies -		
Natural gas purchases	115,128	102,400
Maintenance - oil motors	108	1,450
Maintenance - oil lines	1,071	1,796
Reverence fee	455	455
Small tools and supplies	708	890
Capex	1,479	1,071
Miscellaneous	-	0
Depreciation	4,000	4,000
Total Natural Gas Department	\$ 121,748	\$ 105,128

	2020	2021
Water Department:-		
Electricity:-		
Electricity used in pumping	4	5,550
Other Purchased Services :-		
Interest	1,115	867
Safe drinking water fee	1,189	1,189
Repairs, Maintenance and Supplies:-		
Maintenance of pump house and plant	580	1,809
Maintenance of lines	1,594	2,188
Maintenance of water tower		705
Maintenance of chlorinator	719	
Monthly lease on motor	5,428	5,428
Small tools and supplies	4	112
Chlorine	1,945	2,148
Miscellaneous	84	98
Depreciation	21,005	21,856
Total Water Department	28,116	40,296
 Sewer Department :-		
Purchased Professional Services-		
Compliance fees	1	1,400
Utilities :-		
Electricity used in pumping	5,714	5,674
Repairs, Maintenance and Supplies :-		
Maintenance of pumping equipment	1,498	
Maintenance of lines	890	1,054
Maintenance of lift stations	1,349	
Small tools and supplies	46	57
Chlorine	5,087	4,088
Depreciation	22,712	22,712
Total Sewer Department	32,418	34,795

George F. Delaune

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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 Charles Landry
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, 2002, and have issued my report thereon dated January 17, 2003. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Compliance

As part of obtaining reasonable assurance about whether the Village of Morganza, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and the provisions of the *Louisiana Governmental Audit Guide* which is described in the accompanying schedule of findings and questioned costs as item 2002-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Village of Morganza, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a

condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in 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.

This report is intended solely for the information of management, the Town Council, the Legislative Auditor for the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Burys F. Anderson, CPA

January 17, 2005

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**VILLAGE OF MORGANZA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002**

Section I - Summary of Auditor's Reports

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Village of Morganza.
2. No reportable conditions were disclosed during the audit of the general purpose financial statements.
3. No instances of noncompliance were disclosed during the audit of the general purpose financial statements.
4. There were no federal award programs administered covered by the audit.