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VILLAGE OF HESSMER, LOUISIANA

Financial Report

Year Ended August 31, 2005

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Release Date 4-19-06

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(continued)

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Nixon, CPA

P. O. Box 531
Marksville, LA 71351

Phone (318) 253-9252
Fax (318) 253-8681

OFFICES

183 South Beadle Rd. 113 East Bridge St.
Lafayette, LA 70508 Breaux Bridge, LA 70517
Phone (337) 232-4141 Phone (337) 332-4020
Fax (337) 232-8660 Fax (337) 332-2867

133 East Waddil 234 David St. Ste 105
Marksville, LA 71351 Morgan City, LA 70380
Phone (318) 253-9252 Phone (985) 384-2020
Fax (318) 253-8681 Fax (985) 384-3020

408 West Cotton Street 332 West Sixth Avenue
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737
Fax (337) 363-3049 Fax (337) 639-4568

200 South Main Street 450 East Main Street
Abbeville, LA 70510 New Iberia, LA 70560
Phone (337) 893-7944 Phone (337) 367-9204
Fax (337) 893-7946 Fax (337) 367-9208

Tynes E. Nixon, Jr., CPA
Allen J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Chris E. Bilski, CPA

INDEPENDENT AUDITORS' REPORT

Retired:
Conrad O. Chapman, CPA* 2006

WEB SITE:
WWW.KCSRCPAS.COM

* A Professional Accounting Corporation

The Honorable James "Lynn" Bordelon, Mayor
and Members of the Board of Aldermen
Village of Hessmer, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hessmer, Louisiana, as of and for the year ended August 31, 2005, which collectively comprise of the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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. 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, each major fund, and the aggregate remaining fund information of the Village of Hessmer, Louisiana, as of August 31, 2005, 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.

In accordance with Government Auditing Standards, we have also issued a report dated November 16, 2005 on our consideration of the Village of Hessmer's internal control over financial reporting and our tests of its compliance with 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 on pages 37 through 39 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it. The prior year comparative information on the required supplementary information has been derived from the Village of Hessmer, Louisiana's 2004 financial statements, which were not audited by us and on which we express no opinion on it.

The Village of Hessmer has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Hessmer, Louisiana basic financial statements. The financial information listed as "other supplementary information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Village of Hessmer, Louisiana. The accompanying schedule of expenditures of federal awards (page 55) is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements of the Village of Hessmer. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Marksville, Louisiana
November 16, 2005

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

VILLAGE OF HESSMER, LOUISIANA

Statement of Net Assets
August 31, 2005

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash	\$ 98,195	\$ 13,185	\$ 111,380
Interest-bearing deposits	61,951	405,396	467,347
Receivables, net	4,211	39,102	43,313
Internal balances	23,711	(23,711)	-
Due from other governmental units	-	178,909	178,909
Inventory	-	21,304	21,304
Prepaid items	12,050	15,106	27,156
Total current assets	<u>200,118</u>	<u>649,291</u>	<u>849,409</u>
Noncurrent assets:			
Restricted assets:			
Cash	-	26,409	26,409
Interest-bearing deposits	-	150,573	150,573
Capital assets, net	<u>226,971</u>	<u>2,642,644</u>	<u>2,869,615</u>
Total noncurrent assets	<u>226,971</u>	<u>2,819,626</u>	<u>3,046,597</u>
Total assets	<u>427,089</u>	<u>3,468,917</u>	<u>3,896,006</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	8,989	7,262	16,251
Contracts payable	-	152,018	152,018
Retainage payable	-	31,022	31,022
Capital lease payable	2,480	-	2,480
Bonds payable	2,000	15,785	17,785
Accrued interest	604	2,908	3,512
Total current liabilities	<u>14,073</u>	<u>208,995</u>	<u>223,068</u>
Noncurrent liabilities:			
Customers deposits payable	-	35,231	35,231
Capital lease payable	4,755	-	4,755
Bonds payable	<u>16,000</u>	<u>71,215</u>	<u>87,215</u>
Total noncurrent liabilities	<u>20,755</u>	<u>106,446</u>	<u>127,201</u>
Total liabilities	<u>34,828</u>	<u>315,441</u>	<u>350,269</u>
NET ASSETS			
Invested in capital assets, net of related debt	245,593	2,552,736	2,798,329
Restricted for debt service	18,000	51,073	69,073
Unrestricted	<u>128,668</u>	<u>549,667</u>	<u>678,335</u>
Total net assets	<u>\$ 392,261</u>	<u>\$3,153,476</u>	<u>\$3,545,737</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF HESSMER, LOUISIANA

Statement of Activities

For the Year Ended August 31, 2005

	Activities			Net (Expense) Revenues and Changes in Net Assets	
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental activities:					
General government	\$ 58,452	\$ -	\$ -	\$ -	\$ (58,452)
Public safety:					
Police	149,845	82,368	794	-	(66,683)
Fire	35,255	-	10,650	-	(24,605)
Recreation	13,243	-	1,950	-	(11,293)
Streets and sidewalks	36,026	-	2,671	18,010	(15,345)
Debt Service	2,165	-	-	-	(2,165)
Total governmental activities	<u>294,986</u>	<u>82,368</u>	<u>16,065</u>	<u>18,010</u>	<u>(178,543)</u>
Business-type activities:					
Gas and water	151,694	242,032	746,839	-	837,177
Sewer	123,849	46,204	-	-	(77,645)
Total business-type activities	<u>275,543</u>	<u>288,236</u>	<u>746,839</u>	<u>-</u>	<u>759,532</u>
Total	\$ 570,529	\$ 370,604	\$ 762,904	\$ 18,010	\$ 580,989
General revenues:					
Taxes -					
Property taxes, levied for general purposes					14,536
Sales and use taxes, levied for general purposes					56,555
Franchise taxes					28,708
Licenses and permits -					
Occupational licenses					32,353
Grants and contributions not restricted to specific programs -					
State sources					2,864
Interest and investment earnings					1,295
Miscellaneous					53,570
Transfers					1,000
Total general revenues and transfers					<u>190,881</u>
Change in net assets					12,338
Net assets - September 1, 2004					<u>379,923</u>
Net assets - August 31, 2005					<u>\$ 392,261</u>
					<u>\$ 3,545,737</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sales Tax Fund

To account for the receipt and use of proceeds of the Village's 1% sales and use tax. These taxes are dedicated to the following purposes: repair and maintain public streets, repair, maintain, and operate the waterworks and sewerage system, repair and maintain drainage improvements, capital improvements, and support of the general fund.

Debt Service Fund

Sewer System Improvement Bonds 1974

To accumulate monies for payment of the 1974 \$30,000 Sewer System Improvement Bonds, which are serial bonds due in annual installments, plus interest, through 2014. Debt Service is financed by ad valorem taxes.

Enterprise Funds

Water Utility Fund

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, including, but not limited to, administration, operations, maintenance, financing and related debt service, billings and collections.

Sewer Utility Fund

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

VILLAGE OF HESSMER, LOUISIANA

Balance Sheet
Governmental Funds
August 31, 2005

With Comparative Totals for August 31, 2004

	General	Special Revenue	Debt Service	Totals (Memorandum Only)	
				2005	2004
ASSETS					
Cash	\$10,091	\$80,784	\$ 7,320	\$ 98,195	\$ 43,718
Interest-bearing deposits	50,141	-	11,810	61,951	113,980
Receivables:					
Taxes	100	4,005	47	4,152	3,845
Accrued interest	54	-	5	59	33
Due from other funds	11,953	-	12,158	24,111	23,977
Other	-	-	-	-	834
Prepaid items	12,050	-	-	12,050	15,721
Total assets	<u>\$84,389</u>	<u>\$84,789</u>	<u>\$31,340</u>	<u>\$200,518</u>	<u>\$202,108</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 8,989	\$ -	\$ -	\$ 8,989	\$ 5,133
Due to other funds	-	-	400	400	450
Total liabilities	<u>8,989</u>	<u>-</u>	<u>400</u>	<u>9,389</u>	<u>5,583</u>
Fund balances -					
Reserved for prepaid items	12,050	-	-	12,050	15,721
Reserved for debt service	-	-	18,000	18,000	18,000
Unreserved, designated for capital expenditures	-	-	-	-	50
Unreserved, undesignated	<u>63,350</u>	<u>84,789</u>	<u>12,940</u>	<u>161,079</u>	<u>162,754</u>
Total fund balances	<u>75,400</u>	<u>84,789</u>	<u>30,940</u>	<u>191,129</u>	<u>196,525</u>
Total liabilities and fund balances	<u>\$84,389</u>	<u>\$84,789</u>	<u>\$31,340</u>	<u>\$200,518</u>	<u>\$202,108</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF HESSMER, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
August 31, 2005

Total fund balances for governmental funds at August 31, 2005			\$ 191,129
Total net assets reported for governmental activities in the statement of net assets is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Land		\$ 7,000	
Buildings and improvements, net of \$95,466 accumulated depreciation		82,867	
Infrastructure, net of \$4,484 accumulated depreciation		86,222	
Equipment, furniture, and fixtures net of \$22,669 accumulated depreciation		<u>50,882</u>	226,971
Long-term liabilities at August 31, 2005:			
Bonds payable		(18,000)	
Capital lease payable		(7,235)	
Accrued interest payable		<u>(604)</u>	<u>(25,839)</u>
Total net assets of governmental activities at August 31, 2005			<u>\$ 392,261</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF HESSMER, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended August 31, 2005
With Comparative Totals For the Year Ended August 31, 2004

	General	Special Revenue	Debt Service	Totals (Memorandum Only)	
				2005	2004
Revenues:					
Taxes	\$ 38,492	\$ 56,555	\$ 4,752	\$ 99,799	\$ 73,175
Licenses and permits	32,353	-	-	32,353	34,706
Intergovernmental	34,989	-	-	34,989	45,185
Fines and forfeits	82,368	-	-	82,368	152,711
Miscellaneous	56,601	-	214	56,815	70,266
Total revenues	<u>244,803</u>	<u>56,555</u>	<u>4,966</u>	<u>306,324</u>	<u>376,043</u>
Expenditures:					
Current -					
General government	52,712	1,576	-	54,288	47,264
Public safety:					
Police	138,644	-	-	138,644	158,480
Fire	35,255	-	-	35,255	40,333
Recreation	10,368	-	-	10,368	15,231
Streets and sidewalks	34,717	-	-	34,717	19,349
Capital outlay	58,694	-	-	58,694	95,065
Debt service	2,527	-	3,976	6,503	3,844
Total expenditures	<u>332,917</u>	<u>1,576</u>	<u>3,976</u>	<u>338,469</u>	<u>379,566</u>
Excess (deficiency) of revenues over expenditures	<u>(88,114)</u>	<u>54,979</u>	<u>990</u>	<u>(32,145)</u>	<u>(3,523)</u>
Other financing sources:					
Proceeds from capital lease	9,506	-	-	9,506	-
Insurance proceeds	16,243	-	-	16,243	-
Transfers in	350	-	650	1,000	36,000
Total other financing sources	<u>26,099</u>	<u>-</u>	<u>650</u>	<u>26,749</u>	<u>36,000</u>
Net changes in fund balances	<u>(62,015)</u>	<u>54,979</u>	<u>1,640</u>	<u>(5,396)</u>	<u>32,477</u>
Fund balances beginning	<u>137,415</u>	<u>29,810</u>	<u>29,300</u>	<u>196,525</u>	<u>164,048</u>
Fund balances, ending	<u>\$ 75,400</u>	<u>\$ 84,789</u>	<u>\$ 30,940</u>	<u>\$ 191,129</u>	<u>\$ 196,525</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF HESSMER, 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 August 31, 2005

Total net changes in fund balances at August 31, 2005 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (5,396)
The change in net assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 58,694
Depreciation expense for the year ended August 31, 2005	<u>(17,170)</u> 41,524
In the statement of activities, the loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. However, on the Statement of Net assets, the difference between the sales price and adjusted basis of the property is recorded as a gain or loss.	
	(16,243) <u>(2,379)</u>
Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable balance on the statement of net assets.	
	2,000
Governmental funds report capital lease proceeds as income. However, this income is recorded as debt on the statement of net assets.	
	(9,506)
Principal paid on capital lease expensed in governmental funds.	
	2,271
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis.	
	<u>67</u>
Total changes in net assets at August 31, 2005 per Statement of Activities	<u>\$ 12,338</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF HESSMER, LOUISIANA

Combining Statement of Net Assets
 Proprietary Funds
 August 31, 2005
 With Comparative Totals for the Year Ended August 31, 2004

	Water Utility	Sewer Utility	Totals	
			2005	2004
ASSETS				
Current assets:				
Cash	\$ 11,245	\$ 1,940	\$ 13,185	\$ 21,946
Interest-bearing deposits	383,154	22,242	405,396	352,642
Receivables:				
Accounts	31,140	5,959	37,099	30,308
Accrued interest	1,536	73	1,609	322
Due from other funds	326	-	326	376
Due from other governmental agencies	178,909	-	178,909	-
Inventory	19,965	1,339	21,304	21,191
Prepaid items	6,667	8,439	15,106	11,971
Total current assets	<u>632,942</u>	<u>39,992</u>	<u>672,934</u>	<u>438,756</u>
Noncurrent assets:				
Restricted assets -				
Cash	20,277	6,132	26,409	25,915
Interest-bearing deposits	12,500	138,073	150,573	155,062
Accrued interest	146	248	394	605
Capital assets, net of accumulated depreciation	1,451,967	1,190,677	2,642,644	1,906,663
Total noncurrent assets	<u>1,484,890</u>	<u>1,335,130</u>	<u>2,820,020</u>	<u>2,088,245</u>
Total assets	<u>2,117,832</u>	<u>1,375,122</u>	<u>3,492,954</u>	<u>2,527,001</u>
LIABILITIES				
Current liabilities:				
Accounts payable	5,619	1,544	7,163	2,793
Sales tax payable	99	-	99	99
Due to other funds	11,027	13,010	24,037	23,903
Current portion of note payable	-	-	-	1,022
Payable from restricted assets -				
Contracts payable	152,018	-	152,018	-
Retainage payable	31,022	-	31,022	-
Revenue bonds	-	15,785	15,785	11,085
Accrued interest payable	-	2,908	2,908	3,142
Total current liabilities	<u>199,785</u>	<u>33,247</u>	<u>233,032</u>	<u>42,044</u>
Noncurrent liabilities:				
Customers' deposits	29,172	6,059	35,231	34,731
Revenue bonds payable	-	71,215	71,215	82,915
Total noncurrent liabilities	<u>29,172</u>	<u>77,274</u>	<u>106,446</u>	<u>82,915</u>
Total liabilities	<u>228,957</u>	<u>110,521</u>	<u>339,478</u>	<u>159,690</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,451,967	1,100,769	2,552,736	1,809,010
Restricted for debt service & subsequent expenditures	-	51,073	51,073	94,612
Unrestricted	436,908	112,759	549,667	463,689
Total net assets	<u>\$1,888,875</u>	<u>\$1,264,601</u>	<u>\$3,153,476</u>	<u>\$2,367,311</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF HESSMER, LOUISIANA

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets -
Proprietary Funds

For the Year Ended August 31, 2005

With Comparative Totals for the Year Ended August 31, 2004

	Water Utility	Sewer Utility	Totals	
			2005	2004
Operating revenues:				
Charges for services -				
Water service charges	\$ 228,499	\$ -	\$ 228,499	\$ 197,660
Sewer service charges	-	45,779	45,779	45,836
Installation and other charges	13,533	425	13,958	15,529
Total operating revenues	<u>242,032</u>	<u>46,204</u>	<u>288,236</u>	<u>259,025</u>
Operating expenses:				
Salaries	32,049	19,938	51,987	49,303
Payroll taxes	2,311	1,799	4,110	3,772
Depreciation expense	34,924	68,328	103,252	105,449
Maintenance and repairs	11,754	4,405	16,159	13,973
Supplies	3,879	-	3,879	7,122
Legal & professional	7,240	620	7,860	5,456
Insurance	11,471	11,968	23,439	14,309
Fuel & oil	3,364	-	3,364	2,085
Chemicals & supplies	24,724	2,271	26,995	26,021
Utilities and telephone	17,408	7,441	24,849	22,284
Laboratory testing	245	1,569	1,814	1,271
Other	2,322	1,041	3,363	5,041
Total operating expenses	<u>151,691</u>	<u>119,380</u>	<u>271,071</u>	<u>256,086</u>
Operating income (loss)	<u>90,341</u>	<u>(73,176)</u>	<u>17,165</u>	<u>2,939</u>
Nonoperating revenues (expenses):				
Interest income	9,379	3,254	12,633	12,069
Interest expense	(3)	(4,469)	(4,472)	(5,010)
Miscellaneous	-	-	-	(146)
Rural development grant	15,000	-	15,000	-
Total nonoperating revenues (expenses)	<u>24,376</u>	<u>(1,215)</u>	<u>23,161</u>	<u>6,913</u>
Income (loss) before contributions and transfers	<u>114,717</u>	<u>(74,391)</u>	<u>40,326</u>	<u>9,852</u>

(Continued)

VILLAGE OF HESSMER, LOUISIANA

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - (Continued)
 Proprietary Funds

For the Year Ended August 31, 2005

With Comparative Totals for the Year Ended August 31, 2004

	Water	Sewer	Totals	
	Utility	Utility	2005	2004
Contributions:	<u>746,839</u>	<u>-</u>	<u>746,839</u>	<u>-</u>
Transfers in (out):				
Transfer from General Fund	35,000	-	35,000	(8,994)
Transfer from Water Fund	-	12,602	12,602	-
Transfer to General	(36,000)	-	(36,000)	8,994
Transfer to Sewer Fund	<u>(12,602)</u>	<u>-</u>	<u>(12,602)</u>	<u>(36,000)</u>
Total transfers in (out)	<u>(13,602)</u>	<u>12,602</u>	<u>(1,000)</u>	<u>(36,000)</u>
Change in net assets	847,954	(61,789)	786,165	(26,148)
Net assets, beginning	<u>1,040,921</u>	<u>1,326,390</u>	<u>2,367,311</u>	<u>2,393,459</u>
Net assets, ending	<u>\$1,888,875</u>	<u>\$1,264,601</u>	<u>\$3,153,476</u>	<u>\$2,367,311</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF HESSMER, LOUISIANA

Combining Statement of Cash Flows
Proprietary Funds

For the Year Ended August 31, 2005

With Comparative Totals for the Year Ended August 31, 2004

	Water Utility	Sewer Utility	Totals	
			2005	2004
Cash flows from operating activities:				
Receipts from customers	\$ 221,935	\$ 45,552	\$ 267,487	\$ 243,723
Payments to suppliers	(79,063)	(31,537)	(110,600)	(109,328)
Payments to employees	(34,360)	(21,737)	(56,097)	(53,075)
Other receipts	13,533	425	13,958	15,529
Net cash provided (used) by operating activities	<u>122,045</u>	<u>(7,297)</u>	<u>114,748</u>	<u>96,849</u>
Cash flows from noncapital financing activities:				
Cash received from other funds	50	-	50	4,696
Cash paid to other funds	(140)	274	134	(50)
Transfers from other funds	35,000	12,602	47,602	8,994
Transfers to other funds	<u>(48,602)</u>	<u>-</u>	<u>(48,602)</u>	<u>(44,994)</u>
Net cash provided (used) by noncapital financing activities	<u>(13,692)</u>	<u>12,876</u>	<u>(816)</u>	<u>(31,354)</u>
Cash flows from capital and related financing activities:				
Interest and fiscal charges paid on revenue bonds and notes payable	(3)	(4,703)	(4,706)	(5,376)
Principal paid on revenue bonds and notes payable	(511)	(7,511)	(8,022)	(12,256)
Net increase (decrease) in meter deposits	502	(2)	500	1,344
Capital contributions	582,930	-	582,930	-
Acquisition of property, plant and equipment	<u>(656,193)</u>	<u>-</u>	<u>(656,193)</u>	<u>(64)</u>
Net cash used by capital and related financing activities	<u>(73,275)</u>	<u>(12,216)</u>	<u>(85,491)</u>	<u>(16,352)</u>
Cash flows from investing activities:				
Net increase in investments	(1,246)	(391)	(1,637)	(1,811)
Interest received on interest-bearing deposits	<u>8,429</u>	<u>3,128</u>	<u>11,557</u>	<u>12,032</u>
Net cash provided by investing activities	<u>7,183</u>	<u>2,737</u>	<u>9,920</u>	<u>10,221</u>
Net increase (decrease) in cash and cash equivalents	42,261	(3,900)	38,361	59,364
Cash and cash equivalents, beginning of period	<u>243,464</u>	<u>137,862</u>	<u>381,326</u>	<u>321,962</u>
Cash and cash equivalents, end of period	<u>\$ 285,725</u>	<u>\$ 133,962</u>	<u>\$ 419,687</u>	<u>\$ 381,326</u>

(continued)

VILLAGE OF HESSMER, LOUISIANA

Combining Statement of Cash Flows
 Proprietary Funds (continued)
 For the Year Ended August 31, 2005
 With Comparative Totals for the Year Ended August 31, 2004

	Water Utility	Sewer Utility	Totals	
			2005	2004
Reconciliation of operating income (loss) to net cash used by operating activities:				
Operating income (loss)	\$ 90,341	\$ (73,176)	\$ 17,165	\$ 2,939
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	34,924	68,328	103,252	105,449
Changes in current assets and liabilities:				
(Increase) decrease in accounts receivable	(6,564)	(227)	(6,791)	227
Increase in prepaid items	(768)	(2,367)	(3,135)	(7,305)
Decrease (increase) in accounts payable	3,886	484	4,370	(883)
Increase (decrease) in inventory	226	(339)	(113)	(3,578)
Net cash provided (used) by operating activities	<u>\$ 122,045</u>	<u>\$ (7,297)</u>	<u>\$ 114,748</u>	<u>\$ 96,849</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:				
Cash and cash equivalents, beginning of period -				
Cash - unrestricted	\$ 20,627	\$ 1,319	\$ 21,946	\$ 6,925
Interest-bearing deposits - unrestricted	330,761	21,881	352,642	307,585
Cash - restricted	19,781	6,134	25,915	23,791
Interest-bearing deposits - restricted	12,500	142,562	155,062	156,089
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(140,205)</u>	<u>(34,034)</u>	<u>(174,239)</u>	<u>(172,428)</u>
Total cash and cash equivalents, beginning of period	<u>243,464</u>	<u>137,862</u>	<u>381,326</u>	<u>321,962</u>
Cash and cash equivalents, end of period -				
Cash - unrestricted	11,245	1,940	13,185	21,946
Interest-bearing deposits - unrestricted	383,154	22,242	405,396	352,642
Cash - restricted	20,277	6,132	26,409	25,915
Interest-bearing deposits - restricted	12,500	138,073	150,573	155,062
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(141,451)</u>	<u>(34,425)</u>	<u>(175,876)</u>	<u>(174,239)</u>
Total cash and cash equivalents, end of period	<u>285,725</u>	<u>133,962</u>	<u>419,687</u>	<u>381,326</u>
Net increase (decrease)	<u>\$ 42,261</u>	<u>\$ (3,900)</u>	<u>\$ 38,361</u>	<u>\$ 59,364</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accounting and reporting policies of the Village of Hessmer conform to generally accepted accounting principles (GAAP) as applicable to governments. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsections of this note.

A. Financial Reporting Entity

The Village of Hessmer was incorporated in 1955 under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government and provides the following services: public safety (police and fire), highway and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services

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

Based on the foregoing criteria, the volunteer fire department, as a governmental organization, is not part of the Village and is thus excluded from the accompanying financial statements. This organization is staffed by volunteers and although the Village does provide some of its financing, no control is exercised over its operations. These financial statements include only expenditures incurred directly by the Village for fire protection and does not include operating expenditures paid with self-generated funds of the volunteer fire department.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Village are classified into two categories: governmental and proprietary. The emphasis on the fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Village are described below:

Governmental Funds -

General Fund

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

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

Special Revenue Fund

The Special Revenue Fund accounts for the proceeds of a 1 % sales and use tax that is legally restricted to expenditures for specific purposes.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds). The only capital project fund presented is the 2003 LCDBG Grant Water Improvements Fund which is used to account for repairing and renovating the water system.

Proprietary Funds -

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (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. The Water System Fund and the Sewer System Fund comprise the Village's Enterprise Funds.

- C. Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statements of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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 (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary funds utilized the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

D. Assets, Liabilities and Equity

Demand deposits and time deposits

For purposes of the statement of net assets, demand deposits and time deposits include all demand accounts and certificates of deposits of the Village.

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand deposits and savings accounts, and time deposits or short-term investments with an original maturity of three months or less.

Inventories

Purchases of various operating supplies are regarded as expenditures at the time purchased. Inventories are adjusted at year-end.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (non-current portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible amounts due from customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, 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 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 \$1,000 or more for capitalizing capital assets.

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

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. Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Gas and Water System</u>	<u>Sewer System</u>
Lines and other system installations	10 - 50 years	10 - 50 years
Vehicles and movable equipment	5 - 25 years	5 - 25 years
Buildings	10 - 60 years	10 - 60 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable, general obligation bonds payable, and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

Employees of the Village are not covered under any specific vacation or sick-leave policy. It is the Village's policy that unused compensated absences lapse at the end of the year. Therefore, no accruals for accumulated unused compensated absences have been made in these financial statements.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character
Proprietary Funds - By Operating and Non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Village has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 2
Water and sewer revenue	Debt service and utility operations

The Village uses unrestricted resources only when restricted resources are fully depleted.

G. Budget and Budgetary Accounting

The Village follows the following procedures in establishing the budget:

1. The Mayor meets with the Council and Village Clerk to review the prior year revenue and expenditures as a basis for projecting the current fiscal year budget.
2. Anticipated changes from the prior year are taken into account and reflected in the projections.
3. Once adopted, the budget is made available for public inspection and a budget summary is published in the Village's designated official journal.
4. The Village does not formally integrate its budget as a management tool.

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets are prepared for the General Fund and Special Revenue Fund, and Debt Service Fund utilizing generally accepted accounting principles. Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriation.

H. Capitalization of Interest Expense

It is the policy of the Village of Hessmer to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Fund. At August 31, 2005, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenditures during the reporting period. Actual results could differ from those estimates.

J. Report Classification

Certain previously reported amounts for the year ended August 31, 2004 have been reclassified to conform to the August 31, 2005 classifications.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 2 of each year. Taxes are levied by the Village in October and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Village property tax revenues are budgeted in the year billed.

For the year ended August 31, 2005, taxes of 7.3 mills were levied on property with assessed valuations totaling \$1,991,233 and were dedicated as follows:

General corporate purposes	5.00 mills
Debt service	2.30 mills

Total taxes levied were \$14,536. Taxes receivable at August 31, 2005 was \$147, which was current.

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Dedication of Proceeds and Flow of Funds – 1% Sales and Use Tax

The proceeds of the 1% sales tax are dedicated to the following purposes: 30% to repair and maintain public streets in the Village, 15% to repair, maintain, and operate the Village's waterworks and sewerage system, 20% to repair and maintain drainage improvements in the Village, 20% for capital improvements for the Village, and 15% to support the Village's general fund. Collections for the year ended August 31, 2005 were \$ 56,555, including a receivable of \$4,005.

(4) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At August 31, 2005, the Village had cash and interest-bearing deposits (book balances) totaling \$755,709 as follows:

Cash	\$ 137,789
Interest-bearing deposits	<u>617,920</u>
Total	<u>\$ 755,709</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 bank. 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. Deposit balances (bank balances) at August 31, 2005 were secured as follows:

Bank balances	<u>\$ 764,919</u>
Federal deposit insurance	\$ 363,052
Pledged securities (Category 3)	<u>401,867</u>
Total FDIC insurance and pledged securities	<u>\$ 764,919</u>

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

Pledged securities in Category 3 include uninsured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the Village's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

(5) Receivables

Receivables at August 31, 2005 of \$43,313 consist of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Utility</u>	<u>Total</u>
Ad valorem tax	\$ 100	\$ -	\$ 47	\$ -	\$ 147
Sales tax	-	4,005	-	-	4,005
Accounts -					
Unbilled receivables	-	-	-	8,713	8,713
Utility billings	-	-	-	28,386	28,386
Interest	<u>54</u>	<u>-</u>	<u>5</u>	<u>2,003</u>	<u>2,062</u>
Totals	<u>\$ 154</u>	<u>\$ 4,005</u>	<u>\$ 52</u>	<u>\$ 39,102</u>	<u>\$ 43,313</u>

(6) Restricted Assets

Restricted assets consisted of the following at August 31, 2005:

	<u>Water System</u>	<u>Sewer System</u>	<u>Total</u>
Customer Deposit Fund	\$ 32,727	\$ 6,132	\$ 38,859
Revenue Bond Fund	-	38,013	38,013
Revenue Bond Reserve Fund	-	60,961	60,961
State Sewer Grant Fund	-	24,425	24,425
Capital Projects Fund	50	-	50
Depreciation and Contingency Fund	<u>-</u>	<u>14,674</u>	<u>14,674</u>
	<u>\$ 32,777</u>	<u>\$ 144,205</u>	<u>\$ 176,982</u>

Restricted assets in the Debt Service Fund consist of \$19,130 of cash and interest bearing deposits used to pay off future debt.

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

(7) Capital Assets

Capital asset activity for the year ended August 31, 2005 was as follows:

	<u>09/01/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>08/31/05</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,000	\$ -	\$ -	\$ 7,000
Other capital assets:				
Buildings	175,000	-	-	175,000
Equipment, furniture and fixtures	67,053	29,974	(25,889)	71,138
Infrastructure	67,732	28,720	-	96,452
Totals	<u>316,785</u>	<u>58,694</u>	<u>(25,889)</u>	<u>349,590</u>
Less accumulated depreciation				
Buildings	(92,266)	(3,200)	-	(95,466)
Equipment, furniture and fixtures	(20,150)	(9,786)	7,267	(22,669)
Infrastructure	(300)	(4,184)	-	(4,484)
Total accumulated depreciation	<u>(112,716)</u>	<u>(17,170)</u>	<u>7,267</u>	<u>(122,619)</u>
Governmental activities, capital assets, net	<u>\$ 204,069</u>	<u>\$ 41,524</u>	<u>\$ (18,622)</u>	<u>\$ 226,971</u>
Business-type activities:				
Capital assets				
Water system	\$ 1,189,927	\$ 62,091	\$ -	\$ 1,252,018
Sewer system	1,700,484	-	-	1,700,484
Totals	<u>2,890,411</u>	<u>62,091</u>	<u>-</u>	<u>2,952,502</u>
Less accumulated depreciation				
Water system	(542,269)	(34,924)	-	(577,193)
Sewer system	(441,479)	(68,328)	-	(509,807)
Total accumulated depreciation	<u>(983,748)</u>	<u>(103,252)</u>	<u>-</u>	<u>(1,087,000)</u>
Construction in progress	<u>-</u>	<u>777,142</u>	<u>-</u>	<u>777,142</u>
Business-type activities, capital assets, net	<u>\$ 1,906,663</u>	<u>\$ 735,981</u>	<u>\$ -</u>	<u>\$ 2,642,644</u>

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 4,164
Police	8,822
Streets & sidewalks	1,309
Recreation	<u>2,875</u>
Total depreciation expense	<u>\$ 17,170</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 34,924
Sewer	<u>68,328</u>
Total depreciation expense	<u>\$103,252</u>

(8) Accounts and Other Payables

The accounts and other payables of \$16,251 consisted of the following at August 31, 2005:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Accounts	\$ 8,989	\$ 7,163	\$ 16,152
Other liabilities	-	99	99
Totals	<u>\$ 8,989</u>	<u>\$ 7,262</u>	<u>\$ 16,251</u>

(9) Changes in Long-Term Debt & Capital Lease

The following is a summary of long-term debt transactions of the Village for the year ended August 31, 2005:

	<u>Balance</u> <u>09/01/04</u>	<u>Governmental Activities</u>		<u>Balance</u> <u>08/31/05</u>
		<u>Additions</u>	<u>Deletions</u>	
General obligation bonds	\$ 10,000	\$ -	\$ 1,000	\$ 9,000
Public Improvement bonds	<u>10,000</u>	<u>-</u>	<u>1,000</u>	<u>9,000</u>
Total	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 18,000</u>

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

	Balance 09/01/04	<u>Business-Type Activities</u>		Balance 08/31/05
		Additions	Deletions	
Sewer revenue bonds	\$ 94,000	\$ -	\$ 7,000	\$ 87,000
Capital lease	1,022	-	1,022	-
Total Propriety Funds debt	<u>\$ 95,022</u>	<u>\$ -</u>	<u>\$ 8,022</u>	<u>\$ 87,000</u>

Long-term debt payable at August 31, 2005 is comprised of the following individual issues:

Bonds payable -

Bonds payable at August 31, 2005 are comprised of the following individual issues:

\$30,000, of 1974 Sewer System Improvement serial bonds dated September 16, 1974, due in annual installments of \$1,000 through January 1, 2014; interest at 5 percent, funded by property taxes \$ 9,000

\$30,000, of 1974 Public Improvement serial bonds dated September 16, 1974 due in annual installments of \$1,000 through January 1, 2014; interest at 5 percent, funded by property taxes. \$ 9,000

These obligations are general obligations of the Village. The \$60,000 issue is secured by a pledge of ad valorem tax revenues of the Village.

Sewer Revenue Bonds -

\$188,000 of 1974 Sewer Revenue serial bonds dated September 16, 1974, due in annual installments of \$8,000 to \$11,000 through January 1, 2014; interest at 5 percent. \$87,000

The above revenue bonds are secured by sewer system revenues.

Capital lease payable -

The Village entered into a capital lease for the purchase of a 2005 Ford Crown Victoria for the Police Department. The terms of the lease are monthly payments of \$421 with interest at 6% for the term of 24 months. The cost of the car included in fixed assets is \$25,749. The cost of the car paid by the general fund is \$16,243. The remaining balance of \$9,506 was leased. At August 31, 2005 the total payments remaining are \$7,584 less interest cost of \$349 leaving net principal due of \$7,235.

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

The annual requirements to amortize all bond debt outstanding at August 31, 2005 are as follows:

Year ending August 31,	Governmental Activities		Business-type Activities	
	Principal payments	Interest payments	Principal payments	Interest payments
2006	\$ 2,000	\$ 900	\$ 8,000	\$ 4,350
2007	2,000	800	8,000	3,950
2008	2,000	700	9,000	3,550
2009	2,000	600	9,000	3,100
2010	2,000	500	10,000	2,650
2011-2014	<u>8,000</u>	<u>1,000</u>	<u>43,000</u>	<u>4,361</u>
Total	<u>\$ 18,000</u>	<u>\$ 4,500</u>	<u>\$ 87,000</u>	<u>\$ 21,961</u>

(10) Flow of Funds: Restrictions on Use – Sewer Revenues and Sales Tax Proceeds

The revenues of the sewer system are partially pledged to retire the sewer revenue bonds dated August 31, 2005.

The bond resolution of the 1974 Issue of Bonds requires the establishment and maintenance of the following bank accounts:

Sewer Revenue Bond and Interest Sinking Fund
 Sewer Reserve Fund
 Sewer Depreciation Fund

The Sewer Fund is to transfer to the Sewer Revenue and Interest Sinking Fund on a monthly basis, a sum not less than one-twelfth (1/12th) of the amount of the principal which will become due on the next following payment date and not less than one-sixth (1/6th) of the amount of the interest due on the next following payment date. In addition to these transfers the Sewer Fund is to transfer to the Sewer Reserve Fund five percent (5%) of the amount to be paid to the Sinking Fund until a total of \$12,650 is accumulated therein. In addition, the Sewer Fund is to transfer \$40 per month into the Sewer Depreciation Fund.

For the year ended August 31, 2005, all required transfers were adequate.

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) 2003 LCDBG

The Village was awarded a Louisiana Community Development Block Grant for the fiscal year ended August 31, 2005 for Water System Improvements in the amount of \$746,839. The Village recorded \$746,839 as a capital contribution in the Water Utility Fund, which includes a receivable of \$178,909 as of August 31, 2005. The Village incurred expenses totaling \$746,839 for the fiscal year ended August 31, 2005, which includes a retainage payable of \$26,892, and a contract payable of \$152,018.

(12) Retirement Commitments

As of August 31, 2005 all employees of the Village are members of the Social Security System. Social Security paid during the fiscal year ended August 31, 2005 was \$13,134 on qualified payroll of \$171,689.

(13) Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. There were no encumbrances outstanding at year-end.

(14) Litigation and Claims

The Village is not involved in any litigation as of August 31, 2005.

(15) Segment Information for the Enterprise Fund

The Village of Hessmer maintains two enterprise funds which provide water and sewerage services. Segment information for the year ended August 31, 2005, was as follows:

	Water Utility	Sewer Utility	Total Enterprise Funds
Operating revenues	\$ 242,032	\$ 46,204	\$ 288,236
Operating expenses:			
Depreciation	34,924	68,328	103,252
Other	116,767	51,052	167,819
Total operating expenses	151,691	119,380	271,071
Operating income (loss)	\$ 90,341	\$ (73,176)	\$ 17,165

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Compensation Paid Board Members

The Village paid the mayor and aldermen the following per diem:

<u>Elected Official</u>	<u>Office</u>	<u>Term</u>	<u>Salary</u>	<u>Term Expiration</u>
Lynn Bordelon	Mayor	4 years	\$ 1,500	December 31, 2009
Robert P. Roy	Alderman	4 years	600	December 31, 2009
Susan Jeansonne	Alderman	4 years	600	December 31, 2009
Scott Kelly	Alderman	4 years	600	December 31, 2009
			<u>\$ 3,300</u>	

(17) Risk Management

The Village is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(18) Interfund Transactions

A. Receivables/payables

Interfund receivable/payable balances consisted of the following at August 31, 2005:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 11,953	\$ -
Debt Service Fund	12,158	(400)
Enterprise funds -		
Water Utility Fund	326	(11,027)
Sewer Utility Fund	-	(13,010)
Total	<u>\$ 24,437</u>	<u>\$ (24,437)</u>

VILLAGE OF HESSMER, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Transfers

Transfers consisted of the following at August 31, 2005:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,000	\$ (650)
Debt Service Fund	650	-
Enterprise funds:		
Water Utility Fund	35,000	(48,602)
Sewer Utility Fund	<u>12,602</u>	<u>-</u>
 Total	 <u>\$ 49,252</u>	 <u>\$ (49,252)</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**REQUIRED
SUPPLEMENTARY INFORMATION**

VILLAGE OF HESSMER, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2005
With Comparative Actual Amounts for the Year Ended , 2004

	2005			Variance with Final Budget Positive (Negative)	2004 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 36,300	\$ 38,500	\$ 38,492	\$ (8)	\$ 37,792
Licenses and permits	36,000	32,699	32,353	(346)	34,706
Intergovernmental	12,750	33,960	34,989	1,029	45,130
Fines and forfeits	70,000	70,890	82,368	11,478	152,711
Miscellaneous	64,600	63,750	56,601	(7,149)	70,139
Total revenues	<u>219,650</u>	<u>239,799</u>	<u>244,803</u>	<u>5,004</u>	<u>340,478</u>
Expenditures:					
General government:	47,950	52,038	52,712	(674)	46,440
Public safety:					
Police	130,350	138,673	138,644	29	158,480
Fire	31,200	35,633	35,255	378	40,333
Recreation	16,000	11,100	10,368	732	15,231
Streets and sidewalks	21,800	34,033	34,717	(684)	19,349
Capital outlay	7,000	62,993	58,694	4,299	95,065
Debt service	-	2,527	2,527	-	-
Total expenditures	<u>254,300</u>	<u>336,997</u>	<u>332,917</u>	<u>4,080</u>	<u>374,898</u>
Deficiency of revenues over expenditures	<u>(34,650)</u>	<u>(97,198)</u>	<u>(88,114)</u>	<u>9,084</u>	<u>(34,420)</u>
Other financing sources:					
Proceeds from capital lease	-	9,506	9,506	-	-
Insurance proceeds	-	16,243	16,243	-	-
Transfers from -					
Water utility fund	350	350	350	-	36,000
Total other financing sources	<u>350</u>	<u>26,099</u>	<u>26,099</u>	<u>-</u>	<u>36,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(34,300)</u>	<u>(71,099)</u>	<u>(62,015)</u>	<u>9,084</u>	<u>1,580</u>
Fund balance, beginning	<u>137,415</u>	<u>137,415</u>	<u>137,415</u>	<u>-</u>	<u>135,835</u>
Fund balance, ending	<u>\$ 103,115</u>	<u>\$ 66,316</u>	<u>\$ 75,400</u>	<u>\$ 9,084</u>	<u>\$ 137,415</u>

VILLAGE OF HESSMER, LOUISIANA
Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2005
With Comparative Actual Amounts for the Year Ended August 31, 2004

	2005			Variance with Final Budget Positive (Negative)	2004 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	<u>\$ 51,200</u>	<u>\$ 55,000</u>	<u>\$ 56,555</u>	<u>\$ 1,555</u>	<u>\$ 30,579</u>
Total revenues	<u>51,200</u>	<u>55,000</u>	<u>56,555</u>	<u>1,555</u>	<u>30,579</u>
Expenditures:					
General government	<u>26,885</u>	<u>1,550</u>	<u>1,576</u>	<u>(26)</u>	<u>769</u>
Total expenditures	<u>26,885</u>	<u>1,550</u>	<u>1,576</u>	<u>(26)</u>	<u>769</u>
Excess of revenues over expenditures	24,315	53,450	54,979	1,529	29,810
Fund balances, beginning	<u>29,810</u>	<u>29,810</u>	<u>29,810</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 54,125</u>	<u>\$ 83,260</u>	<u>\$ 84,789</u>	<u>\$ 1,529</u>	<u>\$ 29,810</u>

VILLAGE OF HESSMER, LOUISIANA
Debt Service Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2005
With Comparative Actual Amounts for the Year Ended August 31, 2004

	2005				2004 Actual
	Budget		Actual	Variance- Favorable (Unfavorable)	
	Original	Final			
Revenues:					
Ad valorem taxes	\$ 4,400	\$ 4,400	\$ 4,752	\$ 352	\$ 4,804
Miscellaneous - interest	500	500	214	(286)	127
Total revenues	<u>4,900</u>	<u>4,900</u>	<u>4,966</u>	<u>66</u>	<u>4,931</u>
Expenditures:					
Debt service -					
Principal retirement	2,000	2,000	2,000	-	2,000
Interest and fiscal charges	1,000	1,000	1,000	-	1,100
Assessor's charge and postage	650	1,050	976	74	744
Total expenditures	<u>3,650</u>	<u>4,050</u>	<u>3,976</u>	<u>74</u>	<u>3,844</u>
Excess of revenues over expenditures	1,250	850	990	140	1,087
Other financing sources:					
Transfers in	650	650	650	-	-
Excess of revenues and other financing sources over expenditures	1,900	1,500	1,640	140	1,087
Fund balance, beginning	<u>29,300</u>	<u>29,300</u>	<u>29,300</u>	-	<u>28,213</u>
Fund balance, ending	<u>\$ 31,200</u>	<u>\$ 30,800</u>	<u>\$ 30,940</u>	<u>\$ 140</u>	<u>\$ 29,300</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

VILLAGE OF HESSMER, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended August 31, 2005
With Comparative Actual Amounts for the Year Ended August 31, 2004

	2005			Variance with Final Budget Positive (Negative)	2004 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 9,000	\$ 9,000	\$ 9,784	784	\$ 8,779
Franchise -					
Electric	18,000	20,550	20,554	4	18,875
Gas	4,100	3,900	3,898	(2)	4,124
Cable TV	5,200	5,050	4,256	(794)	6,014
Total taxes	<u>36,300</u>	<u>38,500</u>	<u>38,492</u>	<u>(8)</u>	<u>37,792</u>
Licenses and permits:					
Occupational licenses	<u>36,000</u>	<u>32,699</u>	<u>32,353</u>	<u>(346)</u>	<u>34,706</u>
Total licenses and permits	<u>36,000</u>	<u>32,699</u>	<u>32,353</u>	<u>(346)</u>	<u>34,706</u>
Intergovernmental:					
State of Louisiana -					
Department of Revenue and Taxation:					
Beer taxes	2,700	2,600	2,864	264	2,421
2% Fire insurance rebate	6,100	9,450	9,450	-	8,847
Avoyelles Parish Police Jury					
Rural fire	1,200	1,200	1,200	-	1,200
Department of Transportation:					
Grass cutting	2,750	2,700	2,671	(29)	2,671
Office of Rural Development:					
Recreation improvements	-	18,010	18,010	-	29,991
Louisiana Commission on Law Enforcement:					
Police department	-	-	794	794	-
Total intergovernmental	<u>12,750</u>	<u>33,960</u>	<u>34,989</u>	<u>1,029</u>	<u>45,130</u>

(continued)

VILLAGE OF HESSMER, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues (continued)
For the Year Ended August 31, 2005
With Comparative Actual Amounts for the Year Ended August 31, 2004

	2005			Variance with Final Budget Positive (Negative)	2004 Actual
	Budget		Actual		
	Original	Final			
Fines and forfeits:					
Fines and court costs	\$ 70,000	\$ 70,890	\$ 82,368	11,478	\$ 152,711
Miscellaneous:					
Interest	1,000	800	1,081	281	1,187
Casino funds	<u>50,000</u>	<u>50,000</u>	<u>39,727</u>	<u>(10,273)</u>	<u>48,462</u>
Rental	<u>9,600</u>	<u>9,700</u>	<u>10,560</u>	<u>860</u>	<u>10,338</u>
Rapides foundation grant	-	-	1,950	1,950	5,000
Other sources	4,000	3,250	3,283	33	5,152
Total miscellaneous	<u>64,600</u>	<u>63,750</u>	<u>56,601</u>	<u>(7,149)</u>	<u>70,139</u>
Total revenues	<u>219,650</u>	<u>239,799</u>	<u>244,803</u>	<u>5,004</u>	<u>340,478</u>

VILLAGE OF HESSMER, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended August 31, 2005
With Comparative Actual Amounts for the Year Ended August 31, 2004

	2005			Variance with Final Budget Positive (Negative)	2004 Actual
	Budget		Actual		
	Original	Final			
General government:					
Administration:					
Salaries	\$ 16,400	\$ 16,125	\$ 16,180	\$ (55)	\$ 14,460
Per diem - Mayor & Aldermen	3,300	3,300	3,300	-	3,300
Payroll taxes	1,250	1,225	1,227	(2)	996
Insurance	4,800	3,295	3,326	(31)	5,884
Printing	3,000	2,000	1,856	144	2,562
Office supplies and expenses	3,500	3,550	3,390	160	3,637
Dues & subscriptions	500	350	360	(10)	372
Legal and professional fees	4,000	8,500	8,440	60	4,755
Repairs & maintenance	100	367	361	6	50
Clerk's expenses	300	300	300	-	300
Adopt-A-Flag program	4,500	3,700	3,509	191	2,694
Travel & convention	2,500	2,500	3,427	(927)	3,302
Utilities & telephone	3,600	4,100	4,267	(167)	3,774
Miscellaneous	200	2,726	2,769	(43)	354
Total general government	<u>47,950</u>	<u>52,038</u>	<u>52,712</u>	<u>(674)</u>	<u>46,440</u>
Public safety -					
Police:					
Salaries	73,000	79,600	79,523	77	81,535
Payroll taxes	5,600	6,150	6,132	18	6,237
Uniforms	2,500	1,150	872	278	2,940
Fuel & oil	7,200	8,900	9,075	(175)	8,502
Repairs & maintenance	4,500	5,323	5,438	(115)	8,103
Dues & subscriptions	100	100	100	-	125
Insurance	14,000	13,000	12,860	140	13,250
Supplies	4,100	7,650	7,954	(304)	7,020
Telephone	1,500	1,950	1,843	107	1,442
Court costs	16,500	13,500	13,435	65	27,073
Prisoner expense	350	650	660	(10)	1,284
Miscellaneous	1,000	700	752	(52)	969
Total police	<u>130,350</u>	<u>138,673</u>	<u>138,644</u>	<u>29</u>	<u>158,480</u>

(continued)

VILLAGE OF HESSMER, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended August 31, 2005
With Comparative Actual Amounts for the Year Ended August 31, 2004

	2005		Actual	Variance with Final Budget Positive (Negative)	2004 Actual
	Budget				
	Original	Final			
Fire:					
Salaries	9,000	9,000	9,058	(58)	9,863
Payroll taxes	700	700	652	48	755
Insurance	10,000	11,633	11,493	140	16,332
Supplies	2,000	2,200	2,612	(412)	2,749
Fuel & oil	2,500	3,400	3,518	(118)	2,621
Repairs & maintenance	2,500	2,000	1,974	26	3,035
Utilities & telephone	3,000	5,700	4,848	852	3,558
Miscellaneous	1,500	1,000	1,100	(100)	1,420
Total fire	<u>31,200</u>	<u>35,633</u>	<u>35,255</u>	<u>378</u>	<u>40,333</u>
Streets and sidewalks -					
Salaries	-	4,500	4,417	83	-
Payroll taxes	-	450	434	16	-
Repairs & maintenance	1,200	6,150	6,147	3	923
Fuel & oil	100	500	572	(72)	75
Supplies	2,000	3,433	3,526	(93)	1,757
Street lights and power	12,000	12,600	12,696	(96)	11,990
Insurance	3,200	2,000	2,010	(10)	-
Legal & professional	-	25	95	(70)	893
Animal control	3,200	3,700	3,909	(209)	3,567
Miscellaneous	100	675	911	(236)	144
Total streets and sidewalks	<u>21,800</u>	<u>34,033</u>	<u>34,717</u>	<u>(684)</u>	<u>19,349</u>
Recreation -					
Youth program	14,000	9,500	8,590	910	13,655
Tennis courts	100	-	-	-	-
Playground	200	-	-	-	119
Utilities - park & court	1,700	1,600	1,778	(178)	1,457
Total recreation	<u>16,000</u>	<u>11,100</u>	<u>10,368</u>	<u>732</u>	<u>15,231</u>
Capital outlay:					
Streets	7,000	27,990	24,320	3,670	5,746
Police department	-	28,803	28,720	83	27,333
Sidewalks	-	6,200	5,654	546	61,986
Total capital outlay	<u>7,000</u>	<u>62,993</u>	<u>58,694</u>	<u>4,299</u>	<u>95,065</u>
Debt service	-	2,527	2,527	-	-
Total expenditures	<u>\$ 254,300</u>	<u>\$ 336,997</u>	<u>\$ 332,917</u>	<u>\$ 4,080</u>	<u>\$ 374,898</u>

VILLAGE OF HESSMER, LOUISIANA
2003 LCDBG Capital Projects Fund

Budgetary Comparison Schedule
For the Year Ended August 31, 2005
With Comparative Actual Amounts for the Year Ended August 31, 2004

	2005				2004 Actual
	Budget		Actual	Variance - Favorable (Unfavorable)	
	Original	Final			
Revenues:					
Intergovernmental revenue - State Grant	\$ -	\$ -	\$ -	\$ -	\$ 55
Expenditures:					
Capital outlay	-	-	-	-	55
Excess of revenues over expenditures	-	-	-	-	-
Fund balance, beginning	-	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -	\$ -

VILLAGE OF HESSMER, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
August 31, 2005 and 2004

Records maintained by the Village indicated the following number of customers were being serviced during the month of August, 2005 and 2004:

<u>Department</u>	<u>2005</u>	<u>2004</u>
Water and Gas		
Commercial	39	35
Residential	<u>933</u>	<u>929</u>
Total	<u>972</u>	<u>964</u>
Sewerage:		
Commercial	24	23
Residential	<u>252</u>	<u>251</u>
Total	<u>276</u>	<u>274</u>

VILLAGE OF HESSMER, LOUISIANA

Schedule of Insurance In Force
(Unaudited)
August 31, 2005

<u>Description of Coverage</u>	<u>Asset Covered</u>	<u>Ins. Co.</u>	<u>Policy Number</u>	<u>Expiration Date</u>
Workmen's compensation	Employees	Risk Management	WC-0105	12/31/05
Fire	Water Plant	1st Insurance	GP0931241	5/1/06
	Community Center	1st Insurance	GP0931241	5/1/06
	City Hall	1st Insurance	GP0931241	5/1/06
General Liability	N/A	1st Insurance	GP-0931241	5/1/06
Physical Damage	Vehicles	1st Insurance	GP-0931241	5/1/06
Blanket Bond	Clerk	1st Insurance	3-419-983	11/17/05
Blanket Bond	Mayor	1st Insurance	3-425-531	12/16/05
Blanket Bond	Chief of Police	1st Insurance	3-425-530	12/14/05

VILLAGE OF HESSMER, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended August 31, 2005 and 2004

	Totals		Water		Sewer	
	2005	2004	2005	2004	2005	2004
Operating revenues:						
Water sales	228,499	197,660	228,499	197,660	-	-
Sewerage sales	45,779	45,836	-	-	45,779	45,836
Installation and other charges	13,958	15,529	13,533	13,929	425	1,600
Total operating revenues	<u>288,236</u>	<u>259,025</u>	<u>242,032</u>	<u>211,589</u>	<u>46,204</u>	<u>47,436</u>
Operating expenses:						
Salaries and labor	51,987	49,303	32,049	33,345	19,938	15,958
Payroll taxes	4,110	3,772	2,311	2,551	1,799	1,221
Depreciation	103,252	105,449	34,924	36,340	68,328	69,109
Maintenance and repairs	16,159	13,973	11,754	9,327	4,405	4,646
Office supplies	3,879	7,122	3,879	4,963	-	2,159
Legal & professional	7,860	5,456	7,240	3,819	620	1,637
Insurance	23,439	14,309	11,471	8,533	11,968	5,776
Fuel & oil	3,364	2,085	3,364	2,085	-	-
Chemicals & supplies	26,995	26,021	24,724	26,021	2,271	-
Utilities and telephone	24,849	22,284	17,408	15,207	7,441	7,077
Laboratory testing	1,814	1,271	245	191	1,569	1,080
Other	3,363	5,041	2,322	3,168	1,041	1,873
Total operating expenses	<u>271,071</u>	<u>256,086</u>	<u>151,691</u>	<u>145,550</u>	<u>119,380</u>	<u>110,536</u>
Net operating income (loss)	<u>\$ 17,165</u>	<u>\$ 2,939</u>	<u>\$ 90,341</u>	<u>\$ 66,039</u>	<u>\$ (73,176)</u>	<u>\$ (63,100)</u>

**COMPLIANCE, INTERNAL CONTROL
AND
OTHER GRANT INFORMATION**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA

P. O. Box 531
Marksville, LA 71351

Phone (318) 253-9252
Fax (318) 253-8681

OFFICES

183 South Beadle Rd. 113 East Bridge St
Lafayette, LA 70508 Breaux Bridge, LA 70517
Phone (337) 232-4141 Phone (337) 332-4020
Fax (337) 232-8660 Fax (337) 332-2867

133 East Waddil 234 David St. Ste 105
Marksville, LA 71351 Morgan City, LA 70380
Phone (318) 253-9252 Phone (985) 384-2020
Fax (318) 253-8681 Fax (985) 384-3020

408 West Cotton Street 332 West Sixth Avenue
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737
Fax (337) 363-3049 Fax (337) 639-4568

200 South Main Street 450 East Main Street
Abbeville, LA 70510 New Iberna, LA 70560
Phone (337) 893-7944 Phone (337) 367-9204
Fax (337) 893-7946 Fax (337) 367-9208

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Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Chns E. Bilski, CPA

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

Retired:
Conrad O. Chapman, CPA* 2006

WEB SITE:
WWW.KSRCPAS.COM

* A Professional Accounting Corporation

The Honorable James "Lynn" Bordelon., Mayor
and Members of the Board of Aldermen
Village of Hessmer, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information the Village of Hessmer, Louisiana (the Village) as of and for the year ended August 31, 2005, which collectively comprise the Village of Hessmer, Louisiana's basic financial statements and have issued our report thereon dated November 16, 2005. 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 the Village'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 three instances of noncompliance that are required to be reported under Government Auditing Standards. The compliance findings are described in the accompanying summary schedule of current year audit findings and corrective action plan as items 05-01(C), 05-02(C) and 05-03(C).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village'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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 04-01(IC).

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of the Village's management and Legislative Auditor 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. Also, under Louisiana Revised Statute 24: 513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Hessmer, Louisiana
November 16, 2005

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

Retired:
Conrad O. Chapman, CPA* 2006

WEB SITE:
WWW.KCSRPCAS.COM

* A Professional Accounting Corporation

To the Honorable James "Lynn" Bordelon, Mayor
and Members of the Board of Aldermen
Village of Hessmer, Louisiana

We have audited the compliance of the Village of Hessmer (the Village), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended August 31, 2005. The Village's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village's compliance with those requirements.

In our opinion, the Village of Hessmer complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended August 31, 2005 except as noted in the accompanying summary schedule of current year findings and corrective action plan as item 05-03(C).

Internal Control Over Compliance

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

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

This report is intended for the information of the Village, the Village's management, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Marksville, Louisiana
November 16, 2005

VILLAGE OF HESSMER
Hessmer, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended August 31, 2005

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>CFDA Number</u>	<u>Revenue Recognized</u>	<u>Issues/ Expenditures</u>
United States Department of Housing and Urban Development: Direct Program - Passed-through Louisiana Division of Administration - Community Development Block Grant/State's Program 2003 LCDBG	* 14.219	<u>746,839</u>	<u>746,839</u>
Total Federal Awards		<u>\$ 746,839</u>	<u>\$ 746,839</u>

*Indicates major federal financial assistance program.

VILLAGE OF HESSMER
Hessmer, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended August 31, 2005

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the federal grant activity of the Village of Hessmer. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Village of Hessmer's financial statements for the year ending August 31, 2005.

VILLAGE OF HESSMER
Hessmer, Louisiana

Schedule of Findings and Questioned Costs
Year Ended August 31, 2005

Part I. Summary of Auditor's Results:

1. An unqualified opinion was issued on the financial statements.
2. A reportable condition in internal control was disclosed by the audit of the basic financial statements. The reportable condition is considered to be a material weakness.
3. Two instances of noncompliance material to the financial statements which would be required to be reported in accordance with Government Auditing Standards, were disclosed by the audit of the financial statements.
4. No reportable conditions in internal control over the major programs were disclosed by the audit of the basic financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed one finding required to be reported under Section 510(a) of Circular A-133.
7. The major program is:
U.S. Department of Housing and Urban Development: Passed-through Louisiana Division of Administration – Community Development Block Grant / State's Program CFDA 14.219
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$500,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

Compliance Findings –

See compliance findings 05-01(C) and 05-02(C) on the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

Internal Control Findings –

See internal control finding 04-1(IC) on the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan.

(Continued)

VILLAGE OF HESSMER
Hessmer, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended August 31, 2005

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

See compliance finding 05-02(C) on the Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan

VILLAGE OF HESSMER, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended August 31, 2005

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (8/31/05)</u>						
<u>Compliance</u>						
05-01(C)	8/31/2005	The Police Department violated the Louisiana Constitution Part 7, Section 14 by charging meals to the Village.	Yes	The Mayor and Aldermen have instructed the Police Department not to charge meals for the Department to the Village.	Mayor James "Lynn" Bordelon	2/28/2005
05-02(C)	8/31/2005	The Village violated LSA-RS 24:514 by filing their annual financial statements a few days after February 28, 2006.	Yes	The Mayor and aldermen are going to make sure the statements are filed by February 28, 2007.	Mayor James "Lynn" Bordelon	2/28/2007
05-03(C)	8/31/2005	The Village violated the cash management laws by paying LCDBG disbursements in excess of the 3 day requirement. Two disbursements were paid 4 days after receiving reimbursement from LCDBG.	Yes	The Mayor and Aldermen have instructed the grant administrator to insure the Clerk pays LCDBG disbursements within the 3-day requirement.	Mayor James "Lynn" Bordelon	2/28/2005
<u>Internal Control:</u>						
04-01(IC)	Unknown	Due to the small number of administrative personnel, the Village did not have adequate segregation of accounting functions.	N/A	We agree that a complete segregation of accounting functions would strengthen the controls, but with limited current financial resources, we are not able to hire additional personnel at this time.	N/A	N/A
<u>PRIOR YEAR (8/31/04)</u>						
<u>Compliance</u>						
N/A	N/A	There are no compliance findings.	N/A	N/A	N/A	N/A
<u>Internal Control:</u>						
04-01(IC)	Unknown	Due to the small number of administrative personnel, the Village did not have adequate segregation of accounting functions.	N/A	We agree that a complete segregation of accounting functions would strengthen the controls, but with limited current financial resources, we are not able to hire additional personnel at this time.	N/A	N/A

**LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Government Entities)**

11/04/05

Kolder, Champagne, Slaven, and Co., LLC

P.O. Box 531

Marksville, LA 71351

In connection with your audit of our financial statements as of December 17, 2004 and for August 31, 2004 for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our system of internal control as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of November 4, 2005.

PART I.AGENCY PROFILE

1. Name and address of the organization.

Village of Hessmer
P.O. Box 125
Hessmer, LA 71341

2. List the population of the municipality or parish based upon the last official United States Census or most recent official census (municipalities and police juries only). Include the source of the information.

649

3. List names, addresses, and telephone numbers of entity officials. [Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

Mayor Lynn Bordelon
P.O. Box 52
Hessmer, LA 71341

Council Susan Jeansonne
P.O. Box 387
Hessmer, LA 71341

Council, Robert Roy
P.O. Box 326
Hessmer, LA 71341

Countil Scott Kelly'
P.O. Box 27
Hessmer, LA 71341

4. Period of time covered by this questionnaire:

Fiscal Year Ended August 31, 2005

5. The entity has been organized under the following provisions of the Louisiana Revised Statute (s) (LSA-RS) and, if applicable, local resolutions/ordinances.

Lawrson Act
33 Section 341 of Revised Statutes

6. Briefly describe the public services provided:

Water & Sewer, Fire, Police, Public Works, Streets, and Drainage

7. Expiration date of current elected/appointed officials' terms.

December 31, 2008

LEGAL COMPLIANCE

PART II. PUBLIC BID LAW

8. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

A) All public works purchases exceeding \$100,000 have been publicly bid.

B) All material and supply purchases exceeding \$20,000 have been publicly bid.

Yes [X] No []

PART III. CODE OF ETHICS LAW FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

9. It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [X] No []

10. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [X] No []

PART IV. LAWS AFFECTING BUDGETING

11. We have complied with the budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-15) or the budget requirements of LSA-RS 39:33.

A. Local Budget Act

1. We have adopted a budget for the General Fund and all special revenue funds (LSA-RS 39:1305).
2. The chief executive officer, or equivalent, has prepared a proposed budget that included a budget message, a proposed budget for the General Fund and each special revenue fund, and a budget adoption instrument that specified the chief executive's authority to make budgetary amendments without approval of the governing authority. Furthermore, the proposed expenditures did not exceed estimated funds to be available during the period (LSA-RS 39:1305).
3. The proposed budget was submitted to the governing authority and made available for public inspection at least 15 days prior to the beginning of the budget year (LSA-RS 39:1306).
4. To the extent that proposed expenditures were greater than \$500,000, we have made the budget available for public inspection and have advertised its availability in our official journal. The advertisement included the date, time, and place of the public hearing on the budget. Notice has also been published certifying that all actions required by the Local Government Budget Act have been completed (LSA-RS 39:1307).
5. The proposed budget was made available for public inspection at the location required by LSA-RS 39:1308.
6. All action necessary to adopt and finalize the budget was completed prior to the date required by state law. The adopted budget contained the same information as that required for the proposed budget [LSA-RS 39:1306.
7. After adoption, a certified copy of the budget has been retained by the chief executive officer or equivalent officer (LSA-RS 39:1309).
8. The chief executive officer or equivalent notified in writing the governing authority during the year when actual receipts plus projected revenue collections for the year failed to meet budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures by five percent or more (LSA-RS 39:1311). (Note, state law exempts from the amendment requirements special revenue funds with anticipated expenditures of \$250,000 or less and exempts special revenue funds whose expenditures drive revenue recognition-primarily federal funds-from the requirement to amend revenues.)
9. The governing authority has amended its budget when notified, as provided by LSA-RS 39:1311.

Yes [X] No []

B. State Budget Requirements

1. The state agency has complied with the budgetary requirements of LSA-RS 39:33.

Yes [X] No []

C. Licensing Boards

1. The licensing board has complied with the budgetary requirements of R. S. 39:1331-1342.

Yes [X] No []

PART V. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING LAWS

12. We have maintained our accounting records in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements to comply with LSA-RS 24:514, 24:515, and/or 33:463.

Yes [X] No []

13. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [X] No []

14. We have filed our annual financial statements in accordance with LSA-RS 24:514, and 33:463 where applicable.

Yes No

15. We have had our financial statements audited in a timely manner in accordance with LSA-RS 24:513.

Yes No

PART VI. ASSET MANAGEMENT LAWS

16. We have maintained records of our fixed assets and movable property records, as required by LSA-RS 24:515 and/or 39:321-332, as applicable.

Yes No

PART VII. FISCAL AGENCY AND CASH MANAGEMENT LAWS

17. We have complied with the fiscal agency and cash management requirements of LSA-RS 39:1211-45 and 49:301-327, as applicable.

Yes No

PART VIII. DEBT RESTRICTION LAWS

18. It is true we have not incurred any long-term indebtedness without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes No

19. We have complied with the debt limitation requirements of state law (LSA-RS 39:562).

Yes No

20. We have complied with the reporting requirements relating to the Fiscal Review Committee of the State Bond Commission (LSA-RS 39:1351).

Yes No

PART IX. REVENUE AND EXPENDITURE RESTRICTION LAWS

21. We have restricted the collections and expenditures of revenues to those amounts authorized by Louisiana statutes, tax propositions, and budget ordinances.

Yes No

22. It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No

23. It is true that no property or things of value have been loaned, pledged, or granted to anyone in violation of Article VII, Section 14 of the 1974 Louisiana Constitution.

Yes [X] No []

PART X. QUESTIONS FOR SPECIFIC GOVERNMENTAL UNITS

Police Juries

24. We have adopted a system of road administration that provides as follows:

- A. Approval of the governing authority of all expenditures, LSA-RS 48:755(A).
- B. Development of a capital improvement program on a selective basis, LSA-RS 48:755.
- C. Centralized purchasing of equipment and supplies, LSA-RS 48:755.
- D. Centralized accounting, LSA-RS 48:755.
- E. A construction program based on engineering plans and inspections, LSA-RS 48:755.
- F. Selective maintenance program, LSA-RS 48:755.
- G. Annual certification of compliance to the legislative auditor, LSA-RS 48:758.

N/A

School Boards

25. We have complied with the general statutory, constitutional, and regulatory provisions of the Louisiana Department of Education, LSA-RS 17:51-401.

N/A

26. We have complied with the regulatory circulars issued by the Louisiana Department of Education that govern the Minimum Foundation Program.

N/A

27. We have, to the best of our knowledge, accurately compiled the performance measurement data contained in the following schedules and recognize that your agreed upon procedures will be applied to such schedules and performance measurement data:

Parish school boards are required to report as part of their annual financial statements measures of performance. These performance indicators are found in the supplemental schedules:

- Schedule 1, General Fund Instructional and Support Expenditures and Certain Local Revenues Sources
- Schedule 2, Education Levels of Public School Staff
- Schedule 3, Number and Type of Public Schools
- Schedule 4, Experience of Public Teachers and Full-time Classroom Teachers
- Schedule 5, Public School Staff Data
- Schedule 6, Class Size Characteristics
- Schedule 7, Louisiana Educational Assessment Program
- Schedule 8, The Graduate Exit Exam
- Schedule 9, The IOWA Tests

N/A

Tax Collectors

28. We have complied with the general statutory requirements of LSA-RS 47, Chapter 4.
N/A

Sheriffs

29. We have complied with the state supplemental pay regulations of LSA-RS 33:2218.8.
N/A

30. We have complied with LSA-RS 33:1432 relating to the feeding and keeping of prisoners.
N/A

District Attorneys

31. We have complied with the regulations of the Louisiana Department of Social Services that relate to the Title IV-D Program.
N/A

Assessors

32. We have complied with the regulatory requirements found in Title 47 of the Louisiana Revised Statutes.
N/A

33. We have complied with the regulations of the Louisiana Tax Commission relating to the reassessment of property.
N/A

Clerks of Court

34. We have complied with LSA-RS 13:751-960.
N/A

Libraries

35. We have complied with the regulations of the Louisiana State Library.
N/A

Municipalities

36. Minutes are taken at all meetings of the governing authority. LSA-RS 42:7.1 (Act 665 of 1976).
N/A

37. Minutes, ordinances, resolutions, budgets, and other official proceedings of the municipalities are published in the official journal. LSA-RS 43:143-144 and A.G. 86-528.
N/A

38. All official action taken by the municipality is conducted at public meetings. LSA-RS 42:4.1-13.
N/A

Airports

39. We have submitted our applications for funding airport construction or development to the Department of Transportation and Development as required by LSA-RS 2:802.

40. We have adopted a system of administration that provides for approval by the department for any expenditures of funds appropriated from the Transportation Trust Fund, and no funds have been expended without department approval (LSA-RS 2:810).

N/A

41. All project funds have been expended on the project and for no other purpose (LSA-RS 2:810).

N/A

42. We have certified to the legislative auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (LSA-RS 2:811).

N/A

N/A

Ports

43. We have submitted our applications for funding port construction or development to the Department of Transportation and Development as required by LSA-RS 34:3432.

N/A

44. We have adopted a system of administration that provides for approval by the department for any expenditures of funds made out of state and local matching funds, and no funds have been expended without department approval (LSA-RS 34:3460).

N/A

45. All project funds have been expended on the project and for no other purpose (LSA-RS 34:3460).

N/A

46. We have established a system of administration that provides for the development of a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting, and the selective maintenance and construction of port facilities based upon engineering plans and inspections (LSA-RS 34:3460).

N/A

47. We have certified to the legislative auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (LSA-RS 34:3461).

N/A

Sewerage Districts

48. We have complied with the statutory requirements of LSA-RS 33:3881-4160.

N/A

Waterworks Districts

49. We have complied with the statutory requirements of LSA-RS 33:3811-3837.

N/A

Utility Districts

50. We have complied with the statutory requirements of LSA-RS 33:4161-4548.

N/A

Drainage and Irrigation Districts

51. We have complied with the statutory requirements of LSA-RS 38:1601-1707 (Drainage Districts); LSA-RS 38:1751-1921 (Gravity Drainage Districts); LSA-RS 38:1991-2048 (Levee and Drainage Districts); or LSA-RS 38:2101-2123 (Irrigation Districts), as appropriate.

N/A

Fire Protection Districts

52. We have complied with the statutory requirements of LSA-RS 40:1491-1509. N/A

Other Special Districts

53. We have complied with those specific statutory requirements of state law applicable to our district. N/A

The previous responses have been made to the best of our belief and knowledge.

N/A Secretary *N/A* Date
Ernie Brown Treasurer _____ Date
John Anderson President _____ Date