

VILLAGE OF FLOREN  
ANNUAL FINANCIAL REPORT  
SEPTEMBER 30, 2001

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John A. Windham, CPA

## INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying general purpose financial statements of the Village of Florien, Louisiana, as of and for the year ended September 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Florien, Louisiana management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Florien, Louisiana, as of September 30, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 7, 2002 on my consideration of the Village of Florien's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund and account group financial statements and

The Honorable Rodney Jordan, Mayor  
and the Members of the Board of Aldermen  
Village of Florien, Louisiana  
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schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Florien, Louisiana. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Analysis of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the general purpose financial statements of the Village of Florien, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Judith Windham, CPA*  
DeRidder, Louisiana  
March 7, 2002

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

VILLAGE OF FLOREN

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 2001

ASSETS	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Cash	\$ 4,704	\$ 40,622	\$ 33
Receivables -			
Accounts	1,870	-	-
Sales taxes	-	10,574	-
Ad valorem taxes	580	-	-
Franchise taxes	687	-	-
Grants	5,325	-	-
Due from other funds	-	2,958	-
Due from other governments	-	-	-
Prepaid insurance	2,115	2,049	-
Restricted assets -			
Cash	-	-	-
Customers' deposits - cash	-	-	-
Fixed assets, net	-	-	-
Amount to be provided for retirement of general long term debt	-	-	-
Total assets	<u>\$ 13,399</u>	<u>\$ 53,393</u>	<u>\$ 33</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts payable	\$ 4,376	\$ 6,923	\$ -
Contracts	-	-	-
Accrued salaries payable	6,672	1,277	-
Payroll taxes payable	1,351	186	-
Payable from			
restricted assets -			
Customers' deposits	-	-	-
Due to other funds	3,287	-	-
Capital lease payable	-	-	-
Total liabilities	<u>\$ 15,686</u>	<u>\$ 8,386</u>	<u>\$ -</u>
Fund equity:			
Contributed capital	\$ -	\$ -	\$ -
Investment in general			
fixed assets	-	-	-
Retained earnings (deficit) -			
Unreserved	-	-	-
Fund balances -			
Unreserved - undesignated	(267)	46,998	33
Total fund equity	<u>\$ (267)</u>	<u>\$ 46,998</u>	<u>\$ 33</u>
Total liabilities and fund equity	<u>\$ 15,399</u>	<u>\$ 53,393</u>	<u>\$ 33</u>

Proprietary Fund Type	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long Term Debt	
<u>\$ 9,868</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,868</u>
16,386	-	-	16,386
-	-	-	16,374
-	-	-	368
-	-	-	667
-	-	-	5,125
3,267	-	-	3,635
39,298	-	-	39,298
2,047	-	-	6,128
2,906	-	-	2,906
13,843	-	-	13,843
2,599,837	-	-	2,599,837
-	392,936	8,735	401,671
<u>\$ 1,647,684</u>	<u>\$ 392,936</u>	<u>\$ 8,735</u>	<u>\$ 1,130,180</u>
\$ 3,628	\$ -	\$ -	\$ 14,926
13,851	-	-	13,851
2,933	-	-	18,924
981	-	-	2,648
17,280	-	-	17,280
2,366	-	-	3,629
-	-	8,735	8,735
<u>\$ 61,194</u>	<u>\$ -</u>	<u>\$ 8,735</u>	<u>\$ 50,980</u>
\$ 1,831,787	\$ -	\$ -	\$ 1,831,787
-	392,936	-	392,936
(258,237)	-	-	(258,237)
-	-	-	44,764
<u>\$ 1,586,793</u>	<u>\$ 392,936</u>	<u>\$ -</u>	<u>\$ 1,826,193</u>
<u>\$ 1,647,684</u>	<u>\$ 392,936</u>	<u>\$ 8,735</u>	<u>\$ 1,128,180</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
Year Ended September 30, 2001**

	General Fund	Special Revenues	Capital Projects	Totals (Memorandum Only)
<b>Revenues:</b>				
Taxes	\$ 43,977	\$ 111,513	\$ -	\$ 155,490
Licenses and permit	18,836	-	-	18,836
Intergovernmental	26,644	4,790	377,523	409,957
Charges for services	20,107	-	-	20,107
Fines and forfeits	26,915	-	-	26,915
Use of money and property	815	568	-	1,443
Miscellaneous	3,148	0	-	3,157
<b>Total revenues</b>	<b>\$ 134,342</b>	<b>\$ 116,881</b>	<b>\$ 377,523</b>	<b>\$ 628,746</b>
<b>Expenditures:</b>				
General government	\$ 66,708	\$ -	\$ -	\$ 66,708
Public safety	29,769	-	-	29,769
Public works	19,277	94,288	377,586	491,130
<b>Total expenditures</b>	<b>\$ 115,754</b>	<b>\$ 94,288</b>	<b>\$ 377,586</b>	<b>\$ 587,628</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (21,412)</b>	<b>\$ 22,593</b>	<b>\$ (43)</b>	<b>\$ (8,196)</b>
<b>Other financing sources:</b>				
Transfer in	\$ 29,980	\$ -	\$ 15	\$ 30,005
Transfer out	(75)	(25,000)	-	(25,075)
<b>Total other financing sources (uses)</b>	<b>\$ 29,905</b>	<b>\$ (25,000)</b>	<b>\$ 15</b>	<b>\$ 4,920</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>\$ (1,707)</b>	<b>\$ (1,407)</b>	<b>\$ 13</b>	<b>\$ (4,156)</b>
<b>Fund balances, beginning</b>	<b>1,448</b>	<b>46,483</b>	<b>-</b>	<b>58,931</b>
<b>Fund balances, ending</b>	<b>\$ (267)</b>	<b>\$ 46,998</b>	<b>\$ 13</b>	<b>\$ 48,764</b>

The accompanying notes are an integral part of this statement.

VILLAGE OF FLORIAN

STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended September 30, 2001

	General Fund		Variance Favorable (Unfavorable) (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Taxes	\$ 45,880	\$ 43,517	\$ (2,363)
Licenses and permits	23,580	18,816	(4,764)
Intergovernmental	-	20,644	20,644
Charges for services	28,000	28,107	107
Fees and forfeits	37,400	26,975	(10,425)
Use of money and property	-	875	875
Miscellaneous	1,400	1,548	(252)
<b>Total revenues</b>	<b>\$ 136,100</b>	<b>\$ 134,342</b>	<b>\$ -1,758</b>
<b>Expenditures</b>			
General government	\$ 76,700	\$ 86,708	\$ (10,008)
Public safety	47,400	39,768	(7,632)
Public works	20,000	19,277	723
<b>Total expenditures</b>	<b>\$ 144,100</b>	<b>\$ 145,754</b>	<b>\$ (1,654)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (7,900)</b>	<b>\$ (11,412)</b>	<b>\$ (3,512)</b>
<b>Other financing sources (uses):</b>			
Transfer in	\$ -	\$ 29,980	\$ 29,980
Transfer out	-	(751)	(751)
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ 29,229</b>	<b>\$ 29,229</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>\$ (7,900)</b>	<b>\$ (1,707)</b>	<b>\$ 6,193</b>
<b>Fund balance, beginning</b>	<b>1,440</b>	<b>1,440</b>	<b>-</b>
<b>Fund balance, ending</b>	<b>\$ (12,560)</b>	<b>\$ (287)</b>	<b>\$ 12,273</b>

Special Revenue Fund Type		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 90,000	\$ 111,505	\$ 21,505
-	-	-
4,800	4,706	(94)
-	-	-
-	-	-
-	568	568
-	0	0
<u>\$ 94,800</u>	<u>\$ 116,205</u>	<u>\$ 21,405</u>
\$ -	\$ -	\$ -
-	-	-
79,800	94,268	(14,468)
<u>\$ 79,800</u>	<u>\$ 94,268</u>	<u>\$ (14,468)</u>
\$ 13,000	\$ 23,518	\$ 7,518
-	-	-
-	(25,000)	(25,000)
<u>\$ -</u>	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>
\$ 13,000	\$ (2,482)	\$ (17,482)
49,450	49,450	-
<u>\$ 64,450</u>	<u>\$ 46,968</u>	<u>\$ (17,482)</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN RETAINED EARNINGS - PROPRIETARY FUND TYPE**  
Year Ended September 30, 2001

	<u>Enterprise</u>
<b>Operating revenues:</b>	
Charges for services	\$ 196,529
<b>Operating expenses:</b>	
Personal services	\$ 40,416
Supplies	13,566
Cost of water	34,515
Other services and charges	32,275
Heat, light, and power	18,147
Depreciation	34,098
Total operating expenses	<u>\$ 203,017</u>
Operating income (loss)	<u>\$ (66,488)</u>
<b>Non-operating revenues (expenses):</b>	
Interest income	\$ 617
Transfers in	5,000
Transfers out	<u>(9,000)</u>
Total non-operating revenues (expenses)	<u>\$ (4,383)</u>
Net income (loss)	<u>\$ (70,871)</u>
Retained earnings, (deficit), beginning	<u>\$ (152,088)</u>
Retained earnings, (deficit), ending	<u>\$ (222,959)</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS**  
**Year Ended September 30, 2001**

	<u>Enterprise</u>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 141,330
Cash payments to suppliers for goods and services	(120,372)
Cash payments for employee services and employee related benefits	(29,167)
Net cash used by operating activities	<u>\$ (8,209)</u>
<b>Cash flows from noncapital financing activities:</b>	
Transfers in	\$ 5,000
Transfers out	(9,980)
Net cash used for noncapital financing activities	<u>\$ (4,980)</u>
<b>Cash flows from capital and related financing activities:</b>	
Construction grants received	\$ 670,614
Acquisition and construction of capital assets	(329,728)
Construction contracts paid	(18,478)
Amounts received from other funds	8,170
Net cash provided for capital and related financing activities	<u>\$ 3,578</u>
<b>Cash flows from investing activities:</b>	
Interest on cash management activities	\$ 607
Net decrease in cash and cash equivalents	<u>\$ (16,989)</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>\$ 43,111</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 26,122</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS**  
 Year Ended September 30, 2001

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>Enterprise</u>
Operating income (loss)	\$ (68,788)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	\$ 34,398
Changes in assets & liabilities	
Decrease in accounts receivable	\$ (3,718)
Decrease in prepaid insurance	229
Decrease in due from other funds	1,682
Decrease in accounts payable	(10,098)
Increase in salaries payable	519
Increase payable taxes payable	150
Increase in customer deposits	1,285
Decrease in due to other funds	(1,682)
Total adjustments	<u>\$ 92,281</u>
Net cash provided by operating activities	<u>\$ (18,587)</u>
	(Continued)

The accompanying notes are an integral part of this statement.

## VILLAGE OF FLORIAN

### NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended September 30, 2001

#### INTRODUCTION

The Village of Florian was incorporated in 1959 under the provisions of the Lawman Act. The Village operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Village of Florian conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:217 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audit of State and Local Governmental Units.

The Village maintains a general fund that provides police protection, garbage collection and recreation for its citizens, a sales tax fund that provides for repairs and maintenance of approximately 13 miles of roads and streets, and an enterprise fund that provides water and sewer services to approximately 300 residents. The village also maintains other funds as necessary for other operations.

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

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. REPORTING ENTITY

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

##### B. FUND ACCOUNTING

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

## VILLAGE OF FLORISS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

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

#### Governmental Fund

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

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

#### Proprietary Funds

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

Proprietary Funds include:

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

## VILLAGE OF FLORIAN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

#### C. BASIS OF ACCOUNTING

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

##### Revenues

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

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

##### Expenditures

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

##### Other Financing Sources/Uses

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

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

## VILLAGE OF FLORIAN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### D. BUDGET

The primary government municipality uses the following budget practices:

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

#### E. ENCUMBRANCES

The Village of Florian does not use encumbrance accounting.

#### F. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

## VILLAGE OF FLORIAN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

#### G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

#### H. INVENTORIES

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

#### I. PREPAID ITEMS

Prepaid amounts consist of insurance policy premiums paid in advance.

#### J. RESTRICTED ASSETS

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

#### K. FIXED ASSETS

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

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

## VILLAGE OF FLORIAN

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Water Utility- Storage tanks, lines, and meters	3-20 years
other equipment	5-10 years
Sewer Utility -	
Distribution system	90 years
other equipment	5-10 years

#### L. LEAVE POLICY

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

#### M. LONG-TERM OBLIGATIONS

The Village of Florian has no long-term obligations as of September 30, 2011.

#### N. FUND EQUITY

##### Contributed Capital

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

##### Reserves

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

##### Designated Fund Balances

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

#### O. INTERFUND TRANSACTIONS

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

**F. SALES TAXES**

The village of Florian receives a sales tax that is dedicated to the general maintenance of streets.

**Q. TOTAL COLUMNS ON COMBINED STATEMENTS**

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

**R. BAD DEBTS**

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

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

**S. FASB PRONOUNCEMENTS**

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

VILLAGE OF FLOREN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. FUND DEFICITS

The following individual fund had a deficit in its unreserved retained earnings at September 30, 2001:

Fund	Deficit Amount
Utility Fund	\$ 235,237

The retained earnings deficit in the enterprise fund arises because of the application of generally accepted accounting principles of financial reporting for such funds. Depreciation a non-cash expense, contributes to the deficit. Even though the retained earnings deficit exists, the utility fund had an overall fund equity of \$ 2,588,470 at September 30, 2001. The Board of Aldermen will raise user fees to reduce the retained deficit, when needed.

3. LEVIED TAXES

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

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

4. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at September 30, 2001:

	Primary Government
Certificate of deposit	\$ 3,348
Money market accounts	51,356
Savings account	1,254
Interest-bearing demand deposits	7,043
Non-interest bearing demand deposits	26,717
Petty cash	160
Total	\$ 72,078

VILLAGE OF FLORIAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

At September 30, 2001, the primary government had \$74,725 in deposits (collected bank balances). These deposits are secured from risk by \$74,725 of federal deposit insurance.

5. INVESTMENTS

The Village of Florian had no investments as of September 30, 2001.

6. RECEIVABLES

The following is a summary of receivables for September 30, 2001:

Class of Receivable	General Fund	Special Revenue Fund	Proprietary Fund
Taxes:			
Franchise taxes	\$ 687	\$ ---	\$ ---
Sales taxes	---	10,374	---
Ad Valorem taxes	580	---	---
Grants:			
COFS	2,562	---	---
Rural development	2,363	---	---
Utility billing:			
Accounts	---	---	16,386
Sanitation	1,970	---	---
Total	\$ 8,562	\$ 10,374	\$ 16,386

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. **FIXED ASSETS**

The changes in general fixed assets follow:

	Balance September 30, 2000	Additions	Deductions	Balance September 30, 2001
Land	\$ 47,500	\$ ---	\$ ---	\$ 47,500
Vehicles	58,480	---	---	58,480
Equipment	281,151	---	---	281,151
Buildings	---	7,795	---	7,795
<b>Total</b>	<b>\$ 388,141</b>	<b>\$ 7,795</b>	<b>\$ ---</b>	<b>\$ 395,936</b>

A summary of proprietary property, plant and equipment follows:

	Enterprise Funds
Land	\$ 31,550
Distribution system and plant	1,521,938
Other equipment	20,515
Vehicles	2,580
<b>Total</b>	<b>\$ 1,576,583</b>
Less accumulated depreciation Net	<u>(416,766)</u>
	<b>\$ 1,159,817</b>

8. **ACCOUNTS AND OTHER PAYABLES**

The following is a summary of payables at September 30, 2001:

Class of Payable	General Fund	Special Revenue Fund	Proprietary Funds
Payroll taxes	\$ 1,551	\$ 156	\$ 901
Accounts	4,376	6,932	1,828
Salaries	6,672	1,277	2,975
Contracts	---	---	33,853
Customer deposits	---	---	17,280
<b>Total</b>	<b>\$ 12,599</b>	<b>\$ 8,365</b>	<b>\$ 56,836</b>

VILLAGE OF FLORIAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. LEASES

The Village of Florian had no leases as of September 30, 2001.

10. DUE FROM/TO OTHER FUNDS

Individual fund balances due from/to other funds at September 30, 2001, are as follows:

Fund	Due from other funds	Due to other funds
General Fund	\$ ---	\$ 3,267
Special Revenue Fund	2,358	---
Proprietary Funds:		
Utility fund	3,267	2,358
Total	<u>\$ 5,625</u>	<u>\$ 5,625</u>

11. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at September 30, 2001, consisted of the following:

Louisiana Department of Transportation and Development	\$ 38,748
Village of Florian	390
Total	<u>\$ 39,138</u>

12. RESTRICTED ASSETS - PROPRIETARY FUND TYPES

Restricted assets were applicable to the following at September 30, 2001:

Wastewater treatment account	\$ 3,906
Customers' deposits	13,843
Total	<u>\$18,749</u>

**SUPPLEMENTAL INFORMATION SCHEDULES**

## GENERAL FUND

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

VILLAGE OF FLORIAN  
GENERAL FUND

Schedule I

BALANCE SHEET  
September 30, 2001

ASSETS	<u>2001</u>
Cash	\$ 4,764
Accounts receivable:	
Aut salarum tax	580
Franchise tax	687
Sanitation	1,970
Grants	5,024
Prepaid insurance	<u>2,134</u>
Total assets	<u>\$ 15,389</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 4,176
Accrued salaries payable	8,672
Payroll taxes payable	1,531
Due to other funds	3,297
Total liabilities	<u>\$ 15,686</u>
Fund balance:	
Unreserved - undesignated	<u>\$ (287)</u>
Total Liabilities and fund balance	<u>\$ 15,399</u>

VILLAGE OF FLOREN  
GENERAL FUND

Schedule 2

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended September 30, 2001

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 45,800	\$ 45,537	\$ (263)
Licenses and permits	23,500	18,836	(4,664)
Intergovernmental	-	20,544	20,544
Charges for services	20,000	20,107	107
Fines and forfeits	37,400	26,975	(10,425)
Use of money and property	-	875	875
Miscellaneous	1,400	1,148	(252)
<b>Total revenues</b>	<u>\$ 158,100</u>	<u>\$ 134,142</u>	<u>\$ 23,958</u>
<b>Expenditures:</b>			
General government	\$ 76,700	\$ 66,708	\$ (9,992)
Public safety	47,400	59,789	(12,389)
Public works	20,000	19,277	723
<b>Total expenditures</b>	<u>\$ 144,100</u>	<u>\$ 185,774</u>	<u>\$ 41,674</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (14,000)</b>	<b>\$ (51,632)</b>	<b>\$ 37,632</b>
<b>Other financing sources (uses):</b>			
Transfers in	\$ -	\$ 29,980	\$ 29,980
Transfers out	-	(75)	(75)
<b>Total other financing sources (uses)</b>	<u>\$ -</u>	<u>\$ 29,905</u>	<u>\$ 29,905</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>\$ (14,000)</b>	<b>\$ (21,727)</b>	<b>\$ 7,727</b>
<b>Fund balance, beginning</b>	<u>1,440</u>	<u>1,440</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ (12,560)</u>	<u>\$ (23,287)</u>	<u>\$ 10,727</u>

VILLAGE OF FLORENCE  
GENERAL FUND

Schedule 3

SCHEDULE OF REVENUES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended September 30, 2001

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Taxes:</b>			
Fees/fees	\$ 15,800	\$ 14,035	\$ (1,765)
Ad valorem taxes	30,000	29,502	(498)
Total taxes	\$ 45,800	\$ 43,537	\$ (2,263)
<b>Licenses and permits:</b>			
Occupational	\$ 23,500	\$ 18,836	\$ (4,664)
<b>Intergovernmental:</b>			
Federal grant	\$ -	\$ 15,147	\$ 15,147
State grants	-	4,997	4,997
Local grants	-	500	500
Total inter- governmental	\$ -	\$ 20,644	\$ 20,644
<b>Charges for services:</b>			
Sanitation	\$ 20,000	\$ 20,107	\$ 107
<b>Fees and forfeits:</b>			
Traffic fines	\$ 37,400	\$ 26,975	\$ (10,425)
<b>Use of money and property:</b>			
Rent	\$ -	\$ 875	\$ 875
<b>Miscellaneous:</b>			
Other revenues	\$ 3,400	\$ 3,071	\$ (329)
Collection fee	-	77	77
Total miscellaneous	\$ 3,400	\$ 3,148	\$ (252)
<b>Total revenues</b>	<b>\$ 139,100</b>	<b>\$ 134,142</b>	<b>\$ 4,958</b>

VILLAGE OF FLORIEN  
GENERAL FUND

Schedule 4

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended September 30, 2001

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>General government:</b>			
Personal services	\$ -	\$ 43,948	\$ -
Dues		Individual line	2,937
Utilities and telephone		items not	9,882
Office expenditures		budgeted	6,814
Legal and advertising			1,655
Professional fees			1,400
Insurance			11,807
Maintenance			7,315
Miscellaneous			50
Recreation			593
<b>Total general government</b>	<b>\$ 70,700</b>	<b>\$ 86,708</b>	<b>\$ (16,008)</b>
<b>Public safety:</b>			
Police -			
Personal services	\$ -	\$ 39,378	\$ -
Supplies & fuel		4,790	
Insurance		3,373	
Telephone		1,613	
Maintenance		615	
Uniforms		334	
Collection fees		288	
Rent		1,350	
Debt service:			
Principal		6,972	
Interest		828	
<b>Total public safety</b>	<b>\$ 47,400</b>	<b>\$ 89,358</b>	<b>\$ (41,958)</b>
<b>Public Works:</b>			
Sanitation:			
Personal services	\$ -	\$ 13,378	\$ -
Insurance		3,312	
Supplies & fuel		2,987	
Maintenance		1,800	
<b>Total public works</b>	<b>\$ 30,000</b>	<b>\$ 39,377</b>	<b>\$ 9,377</b>
<b>Total expenditures</b>	<b>\$ 144,300</b>	<b>\$ 165,354</b>	<b>\$ (21,054)</b>

(Continued)

VILLAGE OF FLORIEN  
GENERAL FUND

Schedule 4

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended September 30, 2001

	Budget	Actual	Variance- Favorable (Unfavorable)
Excess (deficiency) of revenues over expenditures	\$ (14,000)	\$ (21,612)	\$ (17,612)
Other financing sources (uses):			
Transfers in	\$ -	\$ 29,980	\$ 29,980
Transfers out	-	(79)	(79)
Total other financing sources (uses)	\$ -	\$ 29,901	\$ 29,901
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (14,000)	\$ (1,707)	\$ 12,293
Fund balance, beginning	1,440	1,440	-
Fund balance, ending	\$ (12,560)	\$ (267)	\$ 12,293

(Continued)

## SPECIAL REVENUE FUND

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

VILLAGE OF FLORIAN  
SPECIAL REVENUE FUND  
SALES TAX FUND

Schedule 5

BALANCE SHEET  
September 30, 2001

ASSETS

Cash and cash equivalents	\$	40,602
Sales tax receivable		10,574
Due from other funds		2,598
Prepaid insurance		2,047
		<hr/>
Total assets	\$	55,821

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	6,922
Accrued salaries payable		1,277
Payroll taxes payable		190
		<hr/>
Total liabilities	\$	8,389

Fund balance:

Unreserved - undesignated	\$	46,986
		<hr/>
Total liabilities and fund balance	\$	55,381

VILLAGE OF FLORIAN  
SALES TAX FUND

Schedule 4

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended September 30, 2001

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 90,000	\$ 110,513	\$ 20,513
Intergovernmental	4,800	4,705	(94)
Miscellaneous	-	9	9
Use of money and property	-	565	\$ 565
<b>Total revenues</b>	<b>\$ 94,800</b>	<b>\$ 116,805</b>	<b>\$ 22,005</b>
<b>Expenditures:</b>			
<b>Public works:</b>			
Highway and streets:			
Personal services	\$ -	\$ 34,890	\$ -
Contract services	Individual line	17,106	
Commissions	Items not	1,640	
Utilities	budgeted	11,405	
Office expenditures		745	
Legal and professional fees		1,400	
Insurance		5,179	
Fuel		1,505	
Maintenance		22,176	
Capital outlay		3,793	
<b>Total expenditures</b>	<b>\$ 79,800</b>	<b>\$ 94,265</b>	<b>\$ (14,665)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 15,000</b>	<b>\$ 22,540</b>	<b>\$ 7,540</b>
<b>Other financing sources (uses):</b>			
Transfer out	\$ -	\$ (25,000)	\$ (25,000)
<b>Excess (deficiency) of revenues over expenditures and other uses</b>	<b>\$ 15,000</b>	<b>\$ (2,460)</b>	<b>\$ 17,460</b>
<b>Fund balance, beginning</b>	<b>49,420</b>	<b>49,420</b>	<b>-</b>
<b>Fund balance, ending</b>	<b>\$ 64,420</b>	<b>\$ 46,960</b>	<b>\$ 17,460</b>

## CAPITAL PROJECTS FUNDS

**Water Well Project** - To account for the receipt and use of proceeds for the acquisition, and construction, of a new water well.

### **Water System**

**Improvements** - To account for the receipt and use of proceeds for improvements to the existing water system.

### **Street**

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

VILLAGE OF FLORIEN  
 CAPITAL PROJECTS FUNDS

Schedule T

COMBINING BALANCE SHEET  
 September 30, 2001

	<u>Water Well Project</u>	<u>Water System Improvements</u>	<u>Street Improvements</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ 33	\$ 33
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund balance	\$ -	\$ -	\$ 33	\$ 33

VILLAGE OF FLORENCE  
CAPITAL PROJECTS FUNDS

Schedule B

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
Year Ended September 30, 2001

	Water Well Project	Water System Improvements	Street Improvements	Total
<b>Revenues:</b>				
Intergovernmental:				
ICTDNO grants	\$ 13,761	\$ 363,762	\$ -	\$ 377,523
<b>Expenditures:</b>				
Public works:				
Engineering and other	\$ 1,853	\$ 50,644	\$ 42	\$ 52,539
Consulting fees	1,800	23,625	-	25,425
Construction contracts	18,168	282,493	-	292,661
Capital Outlay	-	7,000	-	7,000
Total public works	\$ 13,761	\$ 363,762	\$ 42	\$ 377,565
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ (42)	\$ (42)
<b>Other financing sources:</b>				
Transfers in	\$ -	\$ -	\$ 79	\$ 79
Excess (deficiency) of revenues and other sources over expenditures	\$ -	\$ -	\$ 37	\$ 37
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 37	\$ 37

## ENTERPRISE FUND

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

VILLAGE OF FLORIEN  
ENTERPRISE FUND

Schedule 9

BALANCE SHEET

September 30, 2001

ASSETS

Current assets:

Cash	\$	8,980
Accounts receivable		18,385
Due from other		
governmental units -		
Village of Florien		500
Louisiana Department of		
Transportation and		
Development		38,748
Due from other funds		3,287
Prepaid insurance		2,047
Total current assets	\$	<u>78,915</u>

Restricted assets:

Wastewater and Wastewater		
Improvement account		
Cash and cash equivalents	\$	2,966
Customers' water deposits -		
Cash and cash equivalents		13,843
Total restricted assets	\$	<u>16,809</u>

Fixed assets:

Property, plant, and		
equipment; at cost,		
net of accumulated		
depreciation	\$	2,538,937
Total assets	\$	<u>2,640,664</u>

VILLAGE OF FLORIAN  
 ENTERPRISE FUND

Schedule 9

BALANCE SHEET  
 September 30, 2001

LIABILITIES AND FUND EQUITY

Liabilities:

Current liabilities

(payable from current assets):

Accounts payable	\$	3,828
Contracts payable		33,852
Salaries payable		2,975
Payroll taxes payable		901
Due to other funds		2,358
		<u>43,914</u>

Total current liabilities

(payable from current assets)

\$ 43,914

Current liabilities

(payable from restricted assets):

Customers' deposits	\$	17,280
		<u>17,280</u>

Total liabilities

\$ 61,194

Fund equity:

Contributed capital

\$ 2,821,797

Retained earnings (deficit):

Unreserved	\$	(215,597)
		<u>(215,597)</u>

Total fund equity

\$ 2,585,470

Total liabilities and  
 fund equity

\$ 2,647,664

VILLAGE OF FLORIEN  
ENTERPRISE FUND

Schedule 10

SCHEDULE OF REVENUES,  
EXPENSES, AND CHANGES IN RETAINED EARNINGS (Deficit)  
Year Ended September 30, 2001

Operating revenues:

Charges for services	\$ 136,529
----------------------	------------

Operating expenses:

Personal services	\$ 48,416
Supplies	13,566
Cost of water	24,513
Other services and charges	53,275
Heat, light, and power	18,147
Depreciation	54,358
Total operating expenses	<u>\$ 208,317</u>

Operating income (loss)	<u>\$ (68,788)</u>
-------------------------	--------------------

Non-operating revenues (expenses)

Interest income	\$ 817
Transfer in	3,000
Transfer out	<u>(9,960)</u>
Total non-operating revenue (expenses)	<u>\$ (4,963)</u>

Net income (loss)	<u>\$ (73,751)</u>
-------------------	--------------------

Retained earnings

(deficit), beginning	<u>(162,896)</u>
----------------------	------------------

Retained earnings

(deficit), ending	<u>\$ (236,647)</u>
-------------------	---------------------

VILLAGE OF FLORIAN  
ENTERPRISE FUND

Schedule 11

SCHEDULE OF CASH FLOWS  
Year Ended September 30, 2001

Cash flows from operating activities:	
Cash received from customers	\$ 340,532
Cash payments to suppliers for goods and services	(128,372)
Cash payments for employee services and employee related benefits	(58,747)
Net cash used by operating activities	<u>\$ (18,587)</u>
Cash flows from noncapital financing activities:	
Transfer in	\$ 5,000
Transfer out	(9,980)
Net cash used for noncapital financing activities	<u>\$ (4,980)</u>
Cash flows from capital and related financing activities:	
Construction grants received	\$ 470,634
Acquisition and construction of capital assets	(658,734)
Construction contracts paid	(18,478)
Amounts received from other funds	4,170
Net cash provided for capital and related financing activities	<u>\$ 4,552</u>
Cash flows from investing activities:	
Interest on cash management activities	\$ 837
Net decrease in cash and cash equivalents	<u>\$ (18,302)</u>
Cash and cash equivalents, beginning of year	<u>43,111</u>
Cash and cash equivalents, end of year	<u>\$ 26,739</u>

VILLAGE OF FLORIEN  
ENTERPRISE FUND

Schedule 11

SCHEDULE OF CASH FLOWS  
Year ended September 30, 2001

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

Operating income (loss)	\$ (58,785)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	\$ 54,568
Changes in assets & liabilities	
Decrease in accounts receivable	\$ 3,718
Decrease in prepaid insurance	128
Decrease in due from other funds	1,662
Decrease in accounts payable	(10,098)
Increase in salaries payable	319
Increase in payroll taxes payable	150
Increase in customer deposits	1,385
Decrease in due to other funds	(1,662)
Total adjustments	<u>\$ 52,281</u>
Net cash provided (used) by operating activities	<u>\$ (14,517)</u>

## GENERAL FIXED ASSETS ACCOUNT GROUP

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

SCHEDULE OF GENERAL FIXED ASSETS  
September 30, 2001

General fixed assets, at cost:		
Land	\$	47,500
Vehicles		56,490
Equipment		281,131
Buildings		<u>1,795</u>
Total general fixed assets	\$	<u>386,916</u>

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**Year Ended September 30, 2021**

	<u>Land</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Buildings</u>	<u>Total</u>
General fixed assets, beginning	\$ 47,508	\$ 56,498	\$ 281,131	\$ -	\$ 385,141
Additions	-	-	-	7,795	7,795
Deletion	-	-	-	-	-
General fixed assets, ending	<u>\$ 47,508</u>	<u>\$ 56,498</u>	<u>\$ 281,131</u>	<u>\$ 7,795</u>	<u>\$ 392,932</u>

SCHEDULE OF COMPENSATION PAID ALDERMEN  
Year Ended September, 2001

ALDERMEN	Compensation Paid
Dan Conway	\$ 1,200
Marvin Williams	1,200
Lana Southcope	1,200
	<u>\$ 3,600</u>

VILLAGE OF FLORIEN

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year ended September 30, 2001

*Prior Audit Findings*

There were no prior year audit findings for the year ended September 30, 2001.

VILLAGE OF FLORIAN

SCHEDULE OF THE CORRECTIVE ACTION PLAN  
FOR THE CURRENT YEAR AUDIT FINDINGS  
Year Ended September 30, 2001

Current Year Audit Findings

The follow-up and corrective action taken on all current audit findings is presented in the summary schedule of current audit findings (Schedule 35).

**VILLAGE OF FLORIEN**

Office of the Mayor, Rodney Jordan

March 15, 2002

Dr. Don Kyle, CPA  
 Legislative Auditor  
 State of Louisiana  
 PO Box 14077  
 Baton Rouge, LA. 70804-0077

RE: Audit Finding No. 1  
 Village of Florien

Dear Dr. Kyle:

In response to Audit Finding No. 1 I offer the following:

Probably nothing. It has been my experience in my two years as mayor that a municipal government has absolutely no control over an elected Chief of Police. Our new Chief has declared that he will not obey the ordinances. We have had the village attorney look into taking the Chief to court but have not followed through as yet because of the thousands of dollars that it would cost and our past experience in trying to assert any regulation on the police department. This matter is beyond our control because of the laws that have been passed at the behest of the Chiefs of Police Association. This case has been caused by the Louisiana Legislature; they should be the ones to clean it up. We will take whatever corrective action that we are instructed by your office to take but at this time, have no idea what that action should be.

Respectfully,



Rodney Jordan

Mayor  
 Village of Florien

## VILLAGE OF FLOREN

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended September 30, 2001

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	FEDERAL DISBURSEMENTS/ EXPENDITURES
<u>United States Department of Housing and Urban Development</u>		
Passed through State Division of Administration		
Community Development Block Grants/State's Program (State Administered Small Cities Programs)	14.228	\$ 377,523
<u>United States Department of Justice</u>		
Passed through Louisiana Commission on Law Enforcement		
Public Safety Partnership and Community Policing Grants (COPS)	14.710	15,147
Total		\$ 392,670

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

## NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the municipality and is presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 *Audit of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts, presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

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

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

I have audited the general purpose financial statements of the Village of Florin, Louisiana, as of and for the year ended September 30, 2001, and have issued my report thereon dated March 7, 2002. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Village of Florin, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned cost as Audit Finding No.1.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Florin, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted

The Honorable Rodney Jordan, Mayor  
and the Members of The Board of Aldermen  
Village of Florida, Louisiana  
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no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, the Board of Aldermen, and federal awarding agencies, and pass through entities and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

  
J. Keith Wainman, CPA  
De Ridder, Louisiana  
March 7, 2002

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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

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

### Compliance

I have audited the compliance of the Village of Florien, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2001. The Village of Florien, Louisiana's major federal programs are 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 each of its major federal programs is the responsibility of the Village of Florien, Louisiana's management. My responsibility is to express an opinion on the Village of Florien, Louisiana's compliance based on my audit.

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

In my opinion, the Village of Florien, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2001.

Internal Control Over Compliance

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

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

This report is intended solely for the information and use of management, others within the organization, the Board of Aldermen, and federal awarding agencies and pass-through entities and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

  
DeRidder, Louisiana  
March 7, 2002

## VILLAGE OF FLORIEN

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended September 30, 2001

## Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Village of Florien, Louisiana.
2. No reportable conditions material to the financial statements were disclosed during the audit of the general purpose financial statements of the Village of Florien.
3. One instance on noncompliance not material to the general purpose financial statements of the Village of Florien is disclosed below under Findings-Financial Statement Audit.
4. The auditor's report on compliance for the major federal award program for the Village of Florien, Louisiana expresses an unqualified opinion on the major federal program.
5. No audit findings relative to the major federal award program for the Village of Florien are reported.
6. The Program tested as a major program includes:  

Community Development Block Grants State's Program  
(State Administered Small Cities Program) CFDA # 14.228
7. The threshold for distinguishing types A and B programs was \$300,000.
8. The Village of Florien was not determined to be a low-risk audit.

## VILLAGE OF FLORIAN

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended September 30, 2001

FINDING – FINANCIAL STATEMENT AUDIT

## Compliance

## Audit Finding No. 1

Non-Compliance with a Municipal OrdinanceFinding:

During the course of my examination it came to my attention that the Village of Florian was not in compliance with Ordinance No. 113, adopted by the Board of Aldermen on July 1, 1998 "Duties and Compensation for the Chief of Police and Police Department Regulations." Item number 4. of Ordinance No. 113 states that "The Chief of Police shall not hold any other full time employment, nor shall he maintain any employment that will render him unable to fulfill his duties and remain on 24 hour call." The current Chief of Police maintains a full time job with Williams Industries, Inc., which would appear to be in violation of the above ordinance.

Recommendation:

At this time the Village's attorney has examined the case but no action has been taken. The Chief of Police is an elected official and does not fall under the control of the Mayor. I recommend that the Mayor approach the Board of Aldermen concerning this problem and that the Board take the necessary action to correct this issue as soon as possible. Actions that may be taken would be to consult the Legislative Auditor's legal staff in order to get their opinion on the issue and also ask the Attorney General for his legal opinion concerning the matter.

Finding and Questioned Cost – Major Federal Award Program Audit

None