

2454

**VILLAGE OF TURKEY CREEK, LOUISIANA**  
**FINANCIAL REPORT**  
**JUNE 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/3/10

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**INDEPENDENT AUDITORS' REPORT**

The Mayor and Board of Aldermen  
of the Village of Turkey Creek  
Turkey Creek, Louisiana

We were engaged to audit 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 Turkey Creek, Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the Village's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Village's management.

The Village did not maintain adequate accounting records with respect to traffic ticket revenues (\$16,459) and utility revenues and receivables (\$515,839 and \$46,434, net, respectively).

Since the Village did not maintain adequate accounting records with respect to revenues and receivables as discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

In accordance with the Government Auditing Standards, we have also issued our report dated January 7, 2010, on our consideration of the Village of Turkey Creek's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Village of Turkey Creek has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America 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 opinions on the financial statements that collectively comprise the Village of Turkey Creek, Louisiana's basic financial statements. The budgetary comparison schedules listed as required supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The accompanying information listed as other supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Turkey Creek, Louisiana. We did not audit or apply limited procedures to such information and do not express any assurance on such information.

*Droussard, Roche, Lewis & Arneary L.L.P.*

Lafayette, Louisiana  
January 7, 2010

**BASIC FINANCIAL STATEMENTS**

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

## VILLAGE OF TURKEY CREEK, LOUISIANA

STATEMENT OF NET ASSETS  
June 30, 2009

| ASSETS   | Governmental<br>Activities | Business-Type<br>Activities | Total              |
|--|----------------------------|-----------------------------|--------------------|
| <b>CURRENT ASSETS</b>                              |                            |                             |                    |
| Cash   | \$ 56,106                  | \$ 65,832                   | \$ 121,938         |
| Due from other governmental agencies               | 14,778                     | -                           | 14,778             |
| Accounts receivable, net                           | -                          | 46,434                      | 46,434             |
| Franchise fee receivable                           | 4,516                      | -                           | 4,516              |
| Property tax receivable                            | 636                        | -                           | 636                |
| Other receivables                                  | -                          | 203                         | 203                |
| Capital assets:                                    |                            |                             |                    |
| Non-depreciable                                    | -                          | 14,400                      | 14,400             |
| Depreciable, net                                   | <u>667,587</u>             | <u>1,235,952</u>            | <u>1,903,539</u>   |
| Total assets                                       | <u>\$ 743,623</u>          | <u>\$ 1,362,821</u>         | <u>\$2,106,444</u> |
| <br><b>LIABILITIES AND NET ASSETS</b>              |                            |                             |                    |
| <b>LIABILITIES</b>                                 |                            |                             |                    |
| Accounts payable                                   | \$ -                       | \$ 10,946                   | \$ 10,946          |
| Accrued liabilities                                | 1,165                      | 4,623                       | 5,788              |
| Accrued interest payable                           | 2,967                      | -                           | 2,967              |
| Long-term liabilities:                             |                            |                             |                    |
| Portion due or payable within<br>one year -        |                            |                             |                    |
| Certificates of indebtedness                       | 20,000                     | -                           | 20,000             |
| Portion due or payable after<br>one year -         |                            |                             |                    |
| Certificates of indebtedness                       | <u>140,000</u>             | <u>-</u>                    | <u>140,000</u>     |
| Total liabilities                                  | <u>\$ 164,132</u>          | <u>\$ 15,569</u>            | <u>\$ 179,701</u>  |
| <br><b>NET ASSETS</b>                              |                            |                             |                    |
| Invested in capital assets,<br>net of related debt | \$ 507,587                 | \$ 1,250,352                | \$1,757,939        |
| Unrestricted                                       | <u>71,904</u>              | <u>96,900</u>               | <u>168,804</u>     |
| Total net assets                                   | <u>\$ 579,491</u>          | <u>\$ 1,347,252</u>         | <u>\$1,926,743</u> |
| Total liabilities and<br>net assets                | <u>\$ 743,623</u>          | <u>\$ 1,362,821</u>         | <u>\$2,106,444</u> |

See Notes to Financial Statements.

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VILLAGE OF TURKEY CREEK, LOUISIANA

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2009

| Functions/Programs            | Expenses         | Program Revenues                            |  |  |
|-------------------------------|------------------|---|--|--|
|                               |                  | Fees, Fines,<br>and Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| Governmental activities:      |                  |   |  |  |
| General government            | \$ 43,401        | \$ -  | \$ -                                     | \$ -                                   |
| Public safety                 | 32,326           | 16,459                                      | -  | -                                      |
| Public works                  | 23,473           | -   | 9,917                                    | -                                      |
| Culture and recreation        | 32,511           | -   | -  | 34,260                                 |
| Interest on long-term debt    | 7,194            | -   | -  | -                                      |
| Total governmental activities | <u>\$138,905</u> | <u>\$ 16,459</u>                            | <u>\$ 9,917</u>                          | <u>\$ 34,260</u>                       |
| Business-type activities:     |                  |   |  |  |
| Water and sewer               | <u>\$516,910</u> | <u>\$ 522,389</u>                           | <u>\$ -0-</u>                            | <u>\$ -0-</u>                          |
| Total                         | <u>\$655,815</u> | <u>\$ 538,848</u>                           | <u>\$ 9,917</u>                          | <u>\$ 34,260</u>                       |

General revenues:

Taxes -  
   Property  
   Sales and use  
   Franchise  
   Licenses and permits  
   Grants and contributions not restricted  
     to specific programs  
   Miscellaneous  
 Transfers  
   Total general revenues and transfers

Change in net assets

Net assets, beginning

Net assets, ending

See Notes to Financial Statements.

Net (Expense) Revenue and  
Change in Net Assets

| <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>       |
|------------------------------------|-------------------------------------|--------------------|
| \$ (43,401)                        | \$ -                                | \$ (43,401)        |
| (15,867)                           | -                                   | (15,867)           |
| (13,556)                           | -                                   | (13,556)           |
| 1,749                              | -                                   | 1,749              |
| <u>(7,194)</u>                     | <u>-</u>                            | <u>(7,194)</u>     |
| <u>\$ (78,269)</u>                 | <u>\$ -0-</u>                       | <u>\$ (78,269)</u> |
| <u>\$ -0-</u>                      | <u>\$ 5,479</u>                     | <u>\$ 5,479</u>    |
| <u>\$ (78,269)</u>                 | <u>\$ 5,479</u>                     | <u>\$ (72,790)</u> |
| <br>                               |                                     |                    |
| \$ 7,606                           | \$ -                                | \$ 7,606           |
| 50,442                             | -                                   | 50,442             |
| 17,531                             | -                                   | 17,531             |
| 11,963                             | -                                   | 11,963             |
| 3,948                              | -                                   | 3,948              |
| 10,068                             | 359                                 | 10,427             |
| 14,451                             | (14,451)                            | -                  |
| <u>\$ 116,009</u>                  | <u>\$ (14,092)</u>                  | <u>\$ 101,917</u>  |
| <br>                               |                                     |                    |
| \$ 37,740                          | \$ (8,613)                          | \$ 29,127          |
| <u>541,751</u>                     | <u>1,355,865</u>                    | <u>1,897,616</u>   |
| <u>\$ 579,491</u>                  | <u>\$ 1,347,252</u>                 | <u>\$1,926,743</u> |

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FUND FINANCIAL STATEMENTS

## VILLAGE OF TURKEY CREEK, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2009

| ASSETS                                  | General<br>Fund  | Sales Tax<br>Fund | Other<br>Governmental<br>Fund | Total            |
|---|------------------|-------------------|-------------------------------|------------------|
| Cash                                    | \$ 13,537        | \$ 41,915         | \$ 654                        | \$ 56,106        |
| Due from other governmental<br>agencies | 9,917            | -                 | -                             | 9,917            |
| Franchise fees receivable               | 4,516            | -                 | -                             | 4,516            |
| Property taxes receivable               | <u>636</u>       | <u>-</u>          | <u>-</u>                      | <u>636</u>       |
| Total assets                            | <u>\$ 28,606</u> | <u>\$ 41,915</u>  | <u>\$ 654</u>                 | <u>\$ 71,175</u> |
| LIABILITIES AND FUND BALANCES           |                  |                   |                               |                  |
| LIABILITIES                             |                  |                   |                               |                  |
| Accrued liabilities                     | <u>\$ 1,165</u>  | <u>\$ -0-</u>     | <u>\$ -0-</u>                 | <u>\$ 1,165</u>  |
| FUND BALANCES                           |                  |                   |                               |                  |
| Reserved for debt service               | \$ -             | \$ -              | \$ 654                        | \$ 654           |
| Unreserved and undesignated             | <u>27,441</u>    | <u>41,915</u>     | <u>-</u>                      | <u>69,356</u>    |
| Total fund balances                     | <u>\$ 27,441</u> | <u>\$ 41,915</u>  | <u>\$ 654</u>                 | <u>\$ 70,010</u> |
| Total liabilities and<br>fund balances  | <u>\$ 28,606</u> | <u>\$ 41,915</u>  | <u>\$ 654</u>                 | <u>\$ 71,175</u> |

See Notes to Financial Statements.

VILLAGE OF TURKEY CREEK, LOUISIANA  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS  
 BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
 June 30, 2009

Total fund balances - governmental funds \$ 70,010

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 are therefore not reported in the funds.

Capital assets, net 667,587

Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets.

|                                      |                  |           |
|--------------------------------------|------------------|-----------|
| Accrued interest payable             | \$ (2,967)       |           |
| Certificates of indebtedness payable | <u>(160,000)</u> | (162,967) |

Some revenues were not considered measurable at year end and therefore not available soon enough to pay for current period expenditures.

Sales taxes 4,861

Total net assets of governmental activities \$ 579,491

See Notes to Financial Statements.

VILLAGE OF TURKEY CREEK, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2009

|  | General<br>Fund   | Sales Tax<br>Fund  | Other<br>Governmental<br>Fund | Total             |
|--|-------------------|--------------------|-------------------------------|-------------------|
| <b>Revenues:</b>   |                   |                    |                               |                   |
| Taxes  | \$ 25,137         | \$ 51,003          | \$ -                          | \$ 76,140         |
| Licenses and permits   | 11,963            | -                  | -                             | 11,963            |
| Intergovernmental  | 48,125            | -                  | -                             | 48,125            |
| Fines and forfeits   | 16,459            | -                  | -                             | 16,459            |
| Miscellaneous  | 10,068            | -                  | -                             | 10,068            |
| <b>Total revenues</b>  | <b>\$ 111,752</b> | <b>\$ 51,003</b>   | <b>\$ -0-</b>                 | <b>\$ 162,755</b> |
| <b>Expenditures:</b>   |                   |                    |                               |                   |
| Current -  |                   |                    |                               |                   |
| General government   | \$ 42,190         | \$ -               | \$ -                          | \$ 42,190         |
| Public safety  | 27,501            | -                  | -                             | 27,501            |
| Public works   | -                 | 9,699              | -                             | 9,699             |
| Culture and recreation                                       | 4,800             | -                  | -                             | 4,800             |
| Capital outlay   | 34,042            | 12,284             | -                             | 46,326            |
| Debt service -   |                   |                    |                               |                   |
| Principal  | -                 | -                  | 20,000                        | 20,000            |
| Interest   | -                 | -                  | 7,565                         | 7,565             |
| <b>Total expenditures</b>                                    | <b>\$ 108,533</b> | <b>\$ 21,983</b>   | <b>\$ 27,565</b>              | <b>\$ 158,081</b> |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>\$ 3,219</b>   | <b>\$ 29,020</b>   | <b>\$ (27,565)</b>            | <b>\$ 4,674</b>   |
| <b>Other financing sources (uses):</b>                       |                   |                    |                               |                   |
| Transfers in   | \$ 14,451         | \$ -               | \$ 27,565                     | \$ 42,016         |
| Transfers out  | (3,560)           | (24,005)           | -                             | (27,565)          |
| <b>Total other financing<br/>sources (uses)</b>              | <b>\$ 10,891</b>  | <b>\$ (24,005)</b> | <b>\$ 27,565</b>              | <b>\$ 14,451</b>  |
| <b>Net change in fund balances</b>                           | <b>\$ 14,110</b>  | <b>\$ 5,015</b>    | <b>\$ -0-</b>                 | <b>\$ 19,125</b>  |
| <b>Fund balances, beginning</b>                              | <b>13,331</b>     | <b>36,900</b>      | <b>654</b>                    | <b>50,885</b>     |
| <b>Fund balances, ending</b>                                 | <b>\$ 27,441</b>  | <b>\$ 41,915</b>   | <b>\$ 654</b>                 | <b>\$ 70,010</b>  |

See Notes to Financial Statements.

## VILLAGE OF TURKEY CREEK, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
 STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2009

|   |                 |                  |
|---|-----------------|------------------|
| Net change in fund balances - total governmental funds  |                 | \$ 19,125        |
| <p>The change in net assets reported for governmental activities in the statement of activities is different because:</p>   |                 |                  |
| <p>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.</p> |                 |                  |
| Capital outlay  | \$ 46,326       |                  |
| Depreciation expense  | <u>(47,521)</u> | (1,195)          |
| <p>Repayment of certificates of indebtedness principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets.</p>                                  |                 |                  |
| Principal payments  |                 | 20,000           |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.</p>                               |                 |                  |
| Decrease in accrued interest payable  |                 | 371              |
| <p>Because some revenues will not be collected for several months after year end, they are not considered "available" revenues in the governmental funds.</p>   |                 |                  |
| Sales taxes   |                 | <u>(561)</u>     |
| Change in net assets of governmental activities   |                 | <u>\$ 37,740</u> |

See Notes to Financial Statements.

## VILLAGE OF TURKEY CREEK, LOUISIANA

STATEMENT OF NET ASSETS  
 PROPRIETARY FUND  
 BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND  
 June 30, 2009

|                                  |                    |
|----------------------------------|--------------------|
| ASSETS                           |                    |
| CURRENT ASSETS                   |                    |
| Cash                             | \$ 65,832          |
| Accounts receivable, net         | 46,434             |
| Other receivables                | <u>203</u>         |
| Total current assets             | <u>\$ 112,469</u>  |
| CAPITAL ASSETS                   |                    |
| Non-depreciable                  | \$ 14,400          |
| Depreciable, net                 | <u>1,235,952</u>   |
| Total capital assets             | <u>\$1,250,352</u> |
| Total assets                     | <u>\$1,362,821</u> |
| LIABILITIES AND NET ASSETS       |                    |
| CURRENT LIABILITIES              |                    |
| Accounts payable                 | \$ 10,946          |
| Accrued liabilities              | <u>4,623</u>       |
| Total liabilities                | <u>\$ 15,569</u>   |
| NET ASSETS                       |                    |
| Invested in capital assets       | \$1,250,352        |
| Unrestricted                     | <u>96,900</u>      |
| Total net assets                 | <u>\$1,347,252</u> |
| Total liabilities and net assets | <u>\$1,362,821</u> |

See Notes to Financial Statements.

VILLAGE OF TURKEY CREEK, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND  
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND  
Year Ended June 30, 2009

|                          |                    |
|--------------------------|--------------------|
| Operating revenues:      |                    |
| Charges for services     | \$ 515,839         |
| Memberships              | 6,550              |
| Miscellaneous            | 359                |
| Total operating revenues | <u>\$ 522,748</u>  |
| Operating expenses:      |                    |
| Salaries and wages       | \$ 140,202         |
| Payroll taxes            | 13,232             |
| Retirement               | 12,488             |
| Professional services    | 9,506              |
| Supplies                 | 24,037             |
| Office expense           | 20,897             |
| Repairs and maintenance  | 53,013             |
| Fuel                     | 16,753             |
| Utilities                | 67,133             |
| Insurance                | 53,741             |
| Fees and permits         | 5,322              |
| Telephone                | 6,243              |
| Advertising              | 1,270              |
| Travel                   | 915                |
| Depreciation             | 64,669             |
| Bad debt                 | 24,022             |
| Other                    | 3,467              |
| Total operating expenses | <u>\$ 516,910</u>  |
| Operating income         | \$ 5,838           |
| Transfers out            | <u>(14,451)</u>    |
| Change in net assets     | \$ (8,613)         |
| Net assets, beginning    | <u>1,355,865</u>   |
| Net assets, ending       | <u>\$1,347,252</u> |

See Notes to Financial Statements.

## VILLAGE OF TURKEY CREEK, LOUISIANA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND  
 Year Ended June 30, 2009

|  |                    |
|--|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES   |                    |
| Receipts from customers  | \$ 510,459         |
| Payments to suppliers for goods and services   | (266,576)          |
| Payments to employees and for employee related costs                                       | (165,182)          |
| Other receipts   | <u>6,909</u>       |
| Net cash provided by operating activities  | <u>\$ 85,610</u>   |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES  |                    |
| Transfers to other funds   | <u>\$ (14,451)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES                                   |                    |
| Purchase of capital assets   | <u>\$ (13,998)</u> |
| Net increase in cash   | \$ 57,161          |
| Cash and cash equivalents, beginning   | <u>8,671</u>       |
| Cash and cash equivalents, ending  | <u>\$ 65,832</u>   |
| RECONCILIATION OF OPERATING INCOME TO NET CASH<br>PROVIDED BY OPERATING ACTIVITIES         |                    |
| Operating income   | \$ 5,838           |
| Adjustments to reconcile operating income<br>to net cash provided by operating activities: |                    |
| Depreciation   | 64,669             |
| Provision for bad debt   | 24,022             |
| Changes in current assets and liabilities -  |                    |
| Decrease in accounts receivable  | (5,198)            |
| Increase in other receivables  | (101)              |
| Decrease in accounts payable   | (4,279)            |
| Increase in accrued liabilities  | <u>659</u>         |
| Net cash provided by operating activities  | <u>\$ 85,610</u>   |

See Notes to Financial Statements.

VILLAGE OF TURKEY CREEK, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Village of Turkey Creek, Louisiana (the "Village") are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements for both the business-type activities and enterprise fund financial statements. Although the Village has the option to apply FASB pronouncements issued after that date, they have chosen not to do so. The more significant of the Village's accounting policies are described below.

Reporting entity:

A financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government -

The Village was incorporated in 1956, under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government and provides the following services to its residents as authorized by its charter: public safety, public works, culture and recreation, and general administrative services. The Village also operates an enterprise activity, a utility fund, which provides sewer and water services.

Component units -

Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.

## NOTES TO FINANCIAL STATEMENTS

2. Whether the primary government's governing authority (Board of Aldermen or Mayor) appoints a majority of board members of the potential component unit.
3. Fiscal interdependency between the primary government and the potential component unit.
4. Imposition of will by the primary government on the potential component unit.
5. Financial benefit/burden relationship between the primary government and the potential component unit.

Based on the above criteria, there are no organizations or agencies which should be included in the basic financial statements as component units.

### Basis of presentation:

The Village's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the government and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

### Government-wide financial statements -

The government-wide financial statements include the statement of net assets and the statement of activities for all non-fiduciary activities of the government. As a general rule, the effect of interfund activity has been removed from these statements. These statements distinguish between the governmental and business-type activities of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business type activities are financed in whole or in part by fees charged to external parties.

In the government-wide statement of net assets, both the governmental and business-type activities columns (1) are presented on a consolidated basis by column, and (2) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net assets are reported in three parts: (1) invested in capital assets, net of related debt, (2) restricted net assets, and (3) unrestricted net assets. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the Village's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues,

## NOTES TO FINANCIAL STATEMENTS

etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function or business-type activity) is normally covered by general revenue (property, sales and use taxes, intergovernmental revenues, investment income, etc.).

The Village does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net assets resulting from the current year's activities.

### Fund financial statements -

The fund financial statements provide information about the Village's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each reported in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment income, result from nonexchange transactions or ancillary activities.

The Village reports the following major governmental funds:

General Fund - used to account for all financial resources traditionally associated with governments that are not required to be accounted for in another fund.

Sales Tax Fund - used to account for the collection and disbursement of the Village's 2% sales and use tax levies. These taxes are dedicated as described in Note 6.

The Village reports the following major proprietary fund:

Utility Fund - used to account the provision of sewer and water services to the residents of the Village.

The emphasis in the fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary funds combined) for the determination of major funds.

## NOTES TO FINANCIAL STATEMENTS

### Basis of accounting:

#### Government-wide and proprietary fund financial statements -

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, property taxes are recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

#### Governmental fund financial statements -

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Sales taxes are considered "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed and collected. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year end are considered available and recognized as revenue of the current year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Purchases of various operating supplies are regarded as expenditures at the time purchased.

### Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

### Cash and cash equivalents:

Cash includes amounts in demand deposits and on hand. For purposes of reporting cash flows, the Village considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Village had no cash equivalents at June 30, 2009.

### Custodial credit risk:

The Village is exposed to custodial credit risk as it relates to their deposits with financial institutions. The Village's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Village's name. Accordingly, the Village had no custodial credit risk related to its deposits at June 30, 2009.

### Investments:

Under State law, the Village may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other federally insured investment. The Village may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. The Village had no investments at June 30, 2009.

### Receivables:

Accounts receivable for the Utility Fund is reported net of an allowance for doubtful accounts. The allowance amount at June 30, 2009 was \$46,254.

### Interfund receivables and payables:

Short-term cash borrowings between funds are considered temporary in nature. These amounts are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

### Fixed assets:

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in the governmental fund operations or the proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

### Government-wide financial statements -

The Village's property, plant, equipment and infrastructure with useful lives of more than one year are stated at historical cost or estimated historical cost for assets where actual historical cost is not available

NOTES TO FINANCIAL STATEMENTS

and reported in the government-wide financial statements as capital assets. The Village maintains a threshold level of \$1,000 for capitalizing capital assets. The costs of normal repairs and maintenance that do not add to the value of an asset or materially extend asset useful lives are not capitalized. Depreciation of all exhaustible fixed 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>Years</u> |
|---------------------------------|--------------|
| Buildings and improvements      | 7 - 30       |
| Equipment and vehicles          | 5 - 10       |
| Infrastructure                  | 20 - 40      |
| Utility system and improvements | 10 - 60      |

Fund financial statements -

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

Long-term debt:

The accounting treatment of long-term debt depends on whether the debt relates to governmental or proprietary fund obligations and whether it is reported in the government-wide or fund financial statements.

Government-wide financial statements -

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. Long-term debt consists of certificates of indebtedness.

Fund financial statements -

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. Long-term debt in proprietary fund operations is accounted for the same in the fund financial statements as it is in the government-wide statements.

## NOTES TO FINANCIAL STATEMENTS

### Equity classifications:

#### Government-wide financial statements -

Equity is classified as net assets and displayed in three components: (1) invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, (2) restricted net assets - consists of net assets with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation, and (3) unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

#### Fund financial 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.

### Bad debts:

Uncollectible amounts due from customers' utility receivables are recognized as bad debts by the use of the allowance method.

### Interfund transfers:

Permanent reallocation of resources between funds of the primary government are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds and individual proprietary funds have been eliminated.

### Compensated absences:

Employees earn a set amount of annual vacation leave depending on years of service. Vacation cannot be accumulated and compensation in lieu of vacation is not paid. After one year of employment, employees earn 10 days of sick leave each year. Sick leave can be accumulated without limitation. Employees who resign or retire or who are dismissed from employment are not paid for any unused sick leave. Therefore, no provision for compensated absences has been made in the financial statements.

## Note 2. Property Taxes

#### Government-wide financial statements -

Property taxes are recognized in the year for which they are levied, net of uncollectible amounts, as applicable.

NOTES TO FINANCIAL STATEMENTS

Fund financial statements -

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September or October, are billed in December, and are payable by December 31. The Village bills and collects its own property taxes using the assessed values determined by the Evangeline Parish Tax Assessor. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended June 30, 2009, property taxes of 6.60 mills were levied on assessed valuations totaling \$1,270,860. Total taxes levied were \$8,388. Taxes receivable at June 30, 2009 totaled \$636, all of which is considered collectible. The tax is dedicated for general corporate purposes.

Note 3. Due From Other Governmental Agencies

Due from other governmental agencies at June 30, 2009 consist of the following:

|  |  |                 |
|--|--|-----------------|
| Fund financial statements:   |  |                 |
| Federal government -   |  |                 |
| Federal Emergency Management Agency  |  | <u>\$ 9,917</u> |
| Government-wide financial statements:  |  |                 |
| Total amount reported in the fund financial statements from above                      |  | \$ 9,917        |
| Additional sales and use taxes due from the Evangeline Parish Sales/Use Tax Commission |  | <u>4,861</u>    |
|  |  | <u>\$14,778</u> |

Note 4. Capital Assets and Depreciation

Capital assets activity for the year ended June 30, 2009 was as follows:

|                            | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|----------------------------|------------------------------|------------------|------------------|---------------------------|
| Governmental activities:   |                              |                  |                  |                           |
| Buildings and improvements | \$ 548,209                   | \$ -             | \$ -             | \$ 548,209                |
| Equipment                  | 32,265                       | 12,284           | -                | 44,549                    |
| Vehicles                   | 40,115                       | -                | -                | 40,115                    |
| Infrastructure             | <u>203,642</u>               | <u>34,042</u>    | -                | <u>237,684</u>            |
| Total                      | <u>\$ 824,231</u>            | <u>\$ 46,326</u> | <u>\$ -0-</u>    | <u>\$ 870,557</u>         |

(continued)

NOTES TO FINANCIAL STATEMENTS

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>   | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|--------------------|------------------|---------------------------|
| Less accumulated depreciation                |                              |                    |                  |                           |
| for -  |                              |                    |                  |                           |
| Buildings and improvements                   | \$ (50,569)                  | \$ (28,348)        | \$ -             | \$ (78,917)               |
| Equipment                                    | (16,254)                     | (4,936)            | -                | (21,190)                  |
| Vehicles                                     | (28,625)                     | (4,055)            | -                | (32,680)                  |
| Infrastructure                               | <u>(60,001)</u>              | <u>(10,182)</u>    | <u>-</u>         | <u>(70,183)</u>           |
| Total accumulated depreciation               | <u>\$ (155,449)</u>          | <u>\$ (47,521)</u> | <u>\$ -0-</u>    | <u>\$ (202,970)</u>       |
| Governmental activities capital assets, net  | <u>\$ 668,782</u>            | <u>\$ (1,195)</u>  | <u>\$ -0-</u>    | <u>\$ 667,587</u>         |
| Business-type activities:                    |                              |                    |                  |                           |
| Capital assets not being depreciated -       |                              |                    |                  |                           |
| Land   | <u>\$ 14,400</u>             | <u>\$ -0-</u>      | <u>\$ -0-</u>    | <u>\$ 14,400</u>          |
| Capital assets being depreciated -           |                              |                    |                  |                           |
| Buildings and improvements                   | \$ 28,199                    | \$ -               | \$ -             | \$ 28,199                 |
| Heavy equipment                              | 101,614                      | -                  | -                | 101,614                   |
| Office equipment                             | 15,641                       | -                  | -                | 15,641                    |
| Vehicles                                     | 73,706                       | 13,998             | -                | 87,704                    |
| Sewer system                                 | 897,016                      | -                  | -                | 897,016                   |
| Water system                                 | <u>1,283,672</u>             | <u>-</u>           | <u>-</u>         | <u>1,283,672</u>          |
| Total capital assets being depreciated       | <u>\$ 2,399,848</u>          | <u>\$ 13,998</u>   | <u>\$ -0-</u>    | <u>\$ 2,413,846</u>       |
| Less accumulated depreciation                |                              |                    |                  |                           |
| for -  |                              |                    |                  |                           |
| Buildings and improvements                   | \$ (18,872)                  | \$ (589)           | \$ -             | \$ (19,461)               |
| Heavy equipment                              | (101,614)                    | -                  | -                | (101,614)                 |
| Office equipment                             | (8,097)                      | (1,878)            | -                | (9,975)                   |
| Vehicles                                     | (54,053)                     | (5,947)            | -                | (60,000)                  |
| Sewer system                                 | (272,878)                    | (22,425)           | -                | (295,303)                 |
| Water system                                 | <u>(657,711)</u>             | <u>(33,830)</u>    | <u>-</u>         | <u>(691,541)</u>          |
| Total accumulated depreciation               | <u>\$ (1,113,225)</u>        | <u>\$ (64,669)</u> | <u>\$ -0-</u>    | <u>\$ (1,177,894)</u>     |
| Total capital assets being depreciated, net  | <u>\$ 1,286,623</u>          | <u>\$ (50,671)</u> | <u>\$ -0-</u>    | <u>\$ 1,235,952</u>       |
| Business-type activities capital assets, net | <u>\$ 1,301,023</u>          | <u>\$ (50,671)</u> | <u>\$ -0-</u>    | <u>\$ 1,250,352</u>       |

NOTES TO FINANCIAL STATEMENTS

Depreciation expense for the year ended June 30, 2009 was charged as follows:

|  |  |                  |
|--|--|------------------|
| Governmental activities:                           |  |                  |
| General government                                 |  | \$ 1,211         |
| Public safety                                      |  | 4,825            |
| Public works                                       |  | 13,774           |
| Culture and recreation                             |  | <u>27,711</u>    |
| Total governmental activities depreciation expense |  | <u>\$ 47,521</u> |
| Business-type activities:                          |  |                  |
| Gas and sewer                                      |  | <u>\$ 64,669</u> |

Note 5. Long-Term Debt

Certificates of Indebtedness. The Village has issued certificates of indebtedness which are direct obligations and pledge the full faith and credit of the Village. These were issued for the acquisition and construction of major capital facilities.

Long-term debt outstanding at June 30, 2009 is as follows:

|   | <u>Issue Date</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Balance Outstanding</u> | <u>Due Within One Year</u> |
|---|-------------------|----------------------|----------------------|----------------------------|----------------------------|
| Governmental activities:                  |                   |                      |                      |                            |                            |
| Certificates of Indebtedness, Series 2006 | 08/25/06          | 08/01/16             | 4.45%                | <u>\$ 160,000</u>          | <u>\$ 20,000</u>           |

The annual debt service requirements to maturity of all long-term debt outstanding at June 30, 2009 follows:

| <u>Year Ending June 30</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|----------------------------|-------------------|------------------|-------------------|
| 2010                       | \$ 20,000         | \$ 6,675         | \$ 26,675         |
| 2011                       | 20,000            | 5,785            | 25,785            |
| 2012                       | 20,000            | 4,895            | 24,895            |
| 2013                       | 20,000            | 4,005            | 24,005            |
| 2014                       | 20,000            | 3,115            | 23,115            |
| 2015-2017                  | <u>60,000</u>     | <u>4,005</u>     | <u>64,005</u>     |
|                            | <u>\$ 160,000</u> | <u>\$ 28,480</u> | <u>\$ 188,480</u> |

NOTES TO FINANCIAL STATEMENTS

A summary of changes in long-term debt reported in the government-wide financial statements for the year ended June 30, 2009 is as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|------------------|-------------------|---------------------------|
| Governmental activities:                        |                              |                  |                   |                           |
| Certificates of<br>Indebtedness,<br>Series 2006 | \$ 180,000                   | \$ -0-           | \$ (20,000)       | \$ 160,000                |

Interest costs incurred and charged to expense for the year ended June 30, 2009 totaled \$7,194, and is reported on the statement of activities as a separate item of the governmental activities.

Note 6. Dedication of Sales and Use Tax Proceeds

The proceeds of the 1996 2% sales and use tax are accounted for in the Sales Tax Fund and are dedicated to the following purpose:

Acquiring, constructing, improving, maintaining and operating a community center for the Village and improving and maintaining public streets and drainage works in the Village, with the proceeds of the tax to be subject to funding into bonds.

Sales taxes recognized in the governmental fund financial statements under the modified accrued basis of accounting totaled \$51,003, while the amount recognized in the government-wide financial statements under the full accrual basis of accounting totaled \$50,442.

Note 7. Interfund Transfers

Interfund transfers for the year ended June 30, 2009 consist of the following:

|                         | <u>Transfers From</u>   |                           |                         | <u>Total</u>    |
|-------------------------|-------------------------|---------------------------|-------------------------|-----------------|
|                         | <u>General<br/>Fund</u> | <u>Sales Tax<br/>Fund</u> | <u>Utility<br/>Fund</u> |                 |
| Transfers to:           |                         |                           |                         |                 |
| General Fund            | \$ -                    | \$ -                      | \$14,451                | \$14,451        |
| Other Governmental Fund | 3,560                   | 24,005                    | -                       | 27,565          |
| Total                   | <u>\$ 3,560</u>         | <u>\$ 24,005</u>          | <u>\$14,451</u>         | <u>\$42,016</u> |

## NOTES TO FINANCIAL STATEMENTS

Transfers are used to (1) 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 (2) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### Note 8. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Village purchases commercial insurance to cover any claims related to these risks.

### Note 9. Contingencies

In the normal course of operations, the Village receives grant funds from various Federal and State agencies. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as a result of these audits is not believed to be material.

### Note 10. Compensation of Elected Officials

A detail of compensation paid to individual elected officials, including salary and "grandfathered" retirement benefits, for the year ended June 30, 2009 follows:

|                                      |                  |
|--------------------------------------|------------------|
| Blaine Janet, Mayor                  | \$ 10,488        |
| W.L. Chapelle, Alderman              | 5,244            |
| Jessie Johnson, Alderman             | 4,800            |
| Kurry Stewart, Alderman              | 4,800            |
| Louis "Dale" Marcantel, Police Chief | <u>19,680</u>    |
|                                      | <u>\$ 45,012</u> |

### Note 11. Pension Plan

Substantially, all of the employees of the Village are members of the Municipal Employees' Retirement System of Louisiana.

#### Plan description:

The Municipal Employees' Retirement System of Louisiana (the "System") is a cost-sharing multiple-employer public employee retirement system established and provided for by R.S. 11:1731-1866 of the Louisiana Revised Statutes. The

## NOTES TO FINANCIAL STATEMENTS

System is controlled and administered by a separate Board of Trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Village are members of Plan A.

Membership is mandatory as a condition of employment beginning on the date of employment if the employee is on a permanent basis working at least 35 hours per week, not participating in another public funded retirement system, and under age 60 at the date of employment. Those individuals paid jointly by a participating employer and the Village are not eligible for membership in the System. Employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit payable monthly for life, equal to 3% of their average final compensation multiplied by the employee's years of creditable service. Average final compensation is the employee's monthly earnings during the 36 consecutive or joined months of service that produce the highest average. The System also provides death and disability benefits. Benefits are established by State statute.

The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

### Funding policy:

Plan members are required to contribute 9.25% of their annual covered salary and the Village is required to contribute at an actuarially determined rate as established by State statute. The actual employer contribution rate was 13.50% for the year ended June 30, 2009. The Village's contributions to the System for the years ended June 30, 2009, 2008 and 2007 were \$16,995, \$14,333 and \$15,648, respectively, equal the required contributions for the year.

### Note 12. Related Party Transactions

An employee of the Village is the brother of Alderman Johnson. The Louisiana Code of Governmental Ethics, Section 1119B(1), provides that "no member of the immediate family of a member of a governing authority or the chief executive of a governmental entity shall be employed by the governmental entity." However, the Code goes on in Section 1119C(2) to provide an exception that "the provisions of this Section shall not prohibit the continued employment of any public employee ... provided that such public employee has been employed in the agency for a period of at least one year prior to the member of the public employee's immediate family becoming the agency head." In this case, the employee had been employed with the Village for more than one year prior to Alderman Johnson's election. Based on the exception provided in Section 1119C(2) of the Louisiana Code of Governmental Ethics, there is no ethics violation.

## NOTES TO FINANCIAL STATEMENTS

The Village purchased gas and diesel from Chapelle Corner Grocery, which is owned by Alderman Chapelle's son. The total purchases, not including credit card purchases, were \$6,944 for the year ending June 30, 2009. These transactions may be a violation of Louisiana Code of Governmental Ethics.

### Note 13. Lease Agreement

During the prior year, the Village entered into a lease agreement with an individual, allowing the individual use of the Turkey Creek Rodeo Arena and bleachers for a period of one year, beginning September 1, 2007, in order to conduct "equine activities" only. The lease requires the lessee to pay the Village \$1 per year. The lessee is required to carry his own fire and casualty insurance on the buildings, structures, contents, and inventory upon the premises, with a minimum amount of \$1,000,000, which names the Village as an additional insured. The lessee must pay all State, Parish, and City taxes relating to the land, buildings, contents, inventory, and equipment located on the premises.

REQUIRED SUPPLEMENTARY INFORMATION

## VILLAGE OF TURKEY CREEK, LOUISIANA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year Ended June 30, 2009

|                               | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------|----------------------------|-------------------------|----------------------|---|
| <b>Revenues:</b>              |                            |                         |                      |   |
| Taxes -                       |                            |                         |                      |   |
| Property taxes                | \$ 10,000                  | \$ 10,000               | \$ 7,606             | \$ (2,394)  |
| Franchise fees                | 21,300                     | 21,300                  | 17,531               | (3,769)   |
| Total taxes                   | <u>\$ 31,300</u>           | <u>\$ 31,300</u>        | <u>\$ 25,137</u>     | <u>\$ (6,163)</u>                                       |
| <br>Licenses and permits      | <br><u>\$ 9,000</u>        | <br><u>\$ 9,000</u>     | <br><u>\$ 11,963</u> | <br><u>\$ 2,963</u>                                     |
| <br>Intergovernmental -       |                            |                         |                      |   |
| Alcoholic beverage tax        | \$ 1,200                   | \$ 1,200                | \$ 948               | \$ (252)  |
| State highway maintenance fee | -                          | -                       | 3,000                | 3,000   |
| State appropriation           | -                          | -                       | 34,260               | 34,260  |
| Federal grant                 | -                          | -                       | 9,917                | 9,917   |
| Total intergovernmental       | <u>\$ 1,200</u>            | <u>\$ 1,200</u>         | <u>\$ 48,125</u>     | <u>\$ 46,925</u>  |
| <br>Fines and forfeits        | <br><u>\$ 37,000</u>       | <br><u>\$ 37,000</u>    | <br><u>\$ 16,459</u> | <br><u>\$ (20,541)</u>                                  |
| <br>Interest income           | <br><u>\$ 300</u>          | <br><u>\$ 300</u>       | <br><u>\$ -0-</u>    | <br><u>\$ (300)</u>                                     |
| <br>Miscellaneous -           |                            |                         |                      |   |
| Rent income                   | \$ -                       | \$ -                    | \$ 7,510             | \$ 7,510  |
| Other                         | 8,500                      | 8,500                   | 2,558                | (5,942)   |
| Total miscellaneous           | <u>\$ 8,500</u>            | <u>\$ 8,500</u>         | <u>\$ 10,068</u>     | <u>\$ 1,568</u>   |
| <br>Total revenues            | <br><u>\$ 87,300</u>       | <br><u>\$ 87,300</u>    | <br><u>\$111,752</u> | <br><u>\$ 24,452</u>                                    |
| <br><b>Expenditures:</b>      |                            |                         |                      |   |
| Current -                     |                            |                         |                      |   |
| General government:           |                            |                         |                      |   |
| Salaries and wages            | \$ 20,350                  | \$ 20,350               | \$ 25,221            | \$ (4,871)  |
| Payroll taxes                 | 1,540                      | 1,540                   | 971                  | 569   |
| Retirement                    | -                          | -                       | 2,077                | (2,077)   |
| Insurance                     | 6,600                      | 6,600                   | 5,712                | 888   |
| Repairs and maintenance       | 700                        | 700                     | 3,095                | (2,395)   |
| Office expenditures           | 900                        | 900                     | 626                  | 274   |
| Professional services         | 100                        | 100                     | 2,400                | (2,300)   |
| Miscellaneous                 | 3,050                      | 3,050                   | 2,088                | 962   |
| Total general government      | <u>\$ 33,240</u>           | <u>\$ 33,240</u>        | <u>\$ 42,190</u>     | <u>\$ (8,950)</u>                                       |

(continued)

VILLAGE OF TURKEY CREEK, LOUISIANA

BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
Year Ended June 30, 2009

|  | Original<br>Budget | Final<br>Budget   | Actual           | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-------------------|------------------|---|
| Public safety:                                       |                    |                   |                  |   |
| Salaries and wages                                   | \$ 26,000          | \$ 26,000         | \$ 18,865        | \$ 7,135  |
| Payroll taxes  | 1,960              | 1,960             | 732              | 1,228   |
| Retirement   | 2,210              | 2,210             | 2,430            | (220)   |
| Fuel and supplies                                    | 11,500             | 11,500            | 5,283            | 6,217   |
| Miscellaneous  | 6,300              | 6,300             | 191              | 6,109   |
| Total public safety                                  | <u>\$ 47,970</u>   | <u>\$ 47,970</u>  | <u>\$ 27,501</u> | <u>\$ 20,469</u>  |
| Culture and recreation:                              |                    |                   |                  |   |
| Salaries and wages                                   | \$ 4,800           | \$ 4,800          | \$ 4,800         | \$ -  |
| Repairs and supplies                                 | 1,500              | 1,500             | -                | 1,500   |
| Total parks and recreation                           | <u>\$ 6,300</u>    | <u>\$ 6,300</u>   | <u>\$ 4,800</u>  | <u>\$ 1,500</u>   |
| Capital outlay                                       | <u>\$ 3,850</u>    | <u>\$ 3,850</u>   | <u>\$ 34,042</u> | <u>\$ (30,192)</u>                                      |
| Total expenditures                                   | <u>\$ 91,360</u>   | <u>\$ 91,360</u>  | <u>\$108,533</u> | <u>\$ (17,173)</u>                                      |
| Excess (deficiency) of revenues<br>over expenditures | <u>\$ (4,060)</u>  | <u>\$ (4,060)</u> | <u>\$ 3,219</u>  | <u>\$ 7,279</u>   |
| Other financing sources (uses):                      |                    |                   |                  |   |
| Transfers in   | \$ 20,000          | \$ 20,000         | \$ 14,451        | \$ (5,549)  |
| Transfers out  | <u>(12,000)</u>    | <u>(12,000)</u>   | <u>(3,560)</u>   | <u>8,440</u>  |
| Total other financing<br>sources (uses)              | <u>\$ 8,000</u>    | <u>\$ 8,000</u>   | <u>\$ 10,891</u> | <u>\$ 2,891</u>   |
| Net change in fund balance                           | <u>\$ 3,940</u>    | <u>\$ 3,940</u>   | \$ 14,110        | <u>\$ 10,170</u>  |
| Fund balance, beginning                              |                    |                   | <u>13,331</u>    |   |
| Fund balance, ending                                 |                    |                   | <u>\$ 27,441</u> |   |

See Notes to Budgetary Comparison Schedules.

## VILLAGE OF TURKEY CREEK, LOUISIANA

BUDGETARY COMPARISON SCHEDULE  
 SALES TAX FUND  
 Year Ended June 30, 2009

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|-------------------|---|
| Revenues:  |                            |                         |                   |   |
| Sales taxes  | \$ 49,500                  | \$ 49,500               | \$ 51,003         | \$ 1,503  |
| Expenditures:  |                            |                         |                   |   |
| Current -  |                            |                         |                   |   |
| Public works:  |                            |                         |                   |   |
| Repairs and maintenance                              | \$ 10,000                  | \$ 10,000               | \$ 5,700          | \$ 4,300  |
| Other  | 50                         | 50                      | 3,999             | (3,949)   |
| Total public works                                   | <u>\$ 10,050</u>           | <u>\$ 10,050</u>        | <u>\$ 9,699</u>   | <u>\$ 351</u>   |
| Capital outlay                                       | <u>\$ 20,000</u>           | <u>\$ 20,000</u>        | <u>\$ 12,284</u>  | <u>\$ 7,716</u>   |
| Total expenditures                                   | <u>\$ 30,050</u>           | <u>\$ 30,050</u>        | <u>\$ 21,983</u>  | <u>\$ 8,067</u>   |
| Excess (deficiency) of revenues<br>over expenditures | <u>\$ 19,450</u>           | <u>\$ 19,450</u>        | <u>\$ 29,020</u>  | <u>\$ 9,570</u>   |
| Other financing sources (uses):                      |                            |                         |                   |   |
| Transfers out  | <u>\$(12,000)</u>          | <u>\$(12,000)</u>       | <u>\$(24,005)</u> | <u>\$(12,005)</u>   |
| Net change in fund balance                           | <u>\$ 7,450</u>            | <u>\$ 7,450</u>         | \$ 5,015          | <u>\$ (2,435)</u>   |
| Fund balance, beginning                              |                            |                         | <u>36,900</u>     |   |
| Fund balance, ending                                 |                            |                         | <u>\$ 41,915</u>  |   |

See Notes to Budgetary Comparison Schedules.

VILLAGE OF TURKEY CREEK, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES  
Year Ended June 30, 2009

Note 1. Budgets and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 15, the Village Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the period commencing the following July 1.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
3. 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.
4. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All budget appropriations lapse at year-end. The budgets presented are the originally adopted budget and the final budget, which is the same as the originally adopted budget because no amendments were adopted during the fiscal year.

Note 2. Excess of Expenditures Over Appropriations

The following individual fund had actual expenditures in excess of appropriations for the year ended Jun 30, 2009:

|              | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Excess</u>      |
|--------------|----------------------------|-------------------------|------------------|--------------------|
| General Fund | <u>\$ 91,360</u>           | <u>\$ 91,360</u>        | <u>\$108,533</u> | <u>\$ (17,173)</u> |

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OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF TURKEY CREEK, LOUISIANA

SCHEDULE OF CUSTOMERS

PROPRIETARY FUND

UTILITY FUND

June 30, 2009

Records maintained by the Village indicated the following number of customers were being serviced during the month of June 2009:

| <u>Department</u> |       |
|-------------------|-------|
| Water (metered)   | 1,655 |
| Sewer             | 140   |

## VILLAGE OF TURKEY CREEK, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE  
June 30, 2009

| <u>Description of Coverage</u>                  | <u>Coverage<br/>Amounts</u> |
|---|-----------------------------|
| Workmen's Compensation:<br>Employer's liability | Statutory                   |
| Commercial property                             | \$ 89,500                   |
| Community Center - buildings and contents       | \$ 551,250                  |
| Automobile coverage:<br>Auto liability          | \$ 500,000                  |
| Physical damage coverage                        | \$ 125,266                  |
| General liability                               | \$ 500,000                  |
| Law enforcement liability                       | \$ 500,000                  |
| Errors and omissions liability                  | \$ 500,000                  |
| Fidelity bond                                   | \$ 80,000                   |

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Tricia D. Lyons, CPA\*  
Mary T. Miller, CPA\*  
Elizabeth J. Moreau, CPA\*  
Frank D. Bergeron, CPA\*  
Lonnie J. Hebert, CPA\*

*Retired:*

Sidney L. Broussard, CPA 1925-2005  
Leon E. Poché, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA 1992  
Geraldine J. Wimberley, CPA 1995  
Lawrence A. Cramer, CPA 1999  
Ralph Friend, CPA 2002  
Donald W. Kelley, CPA 2005  
George J. Trappey, III, CPA 2007  
Terrel P. Dressel, CPA 2007  
Herbert Lemoine II, CPA 2008

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

The Mayor and Board of Aldermen  
of the Village of Turkey Creek  
Turkey Creek, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Turkey Creek, Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated January 7, 2010. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

*Members of American Institute of  
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Society of Louisiana Certified  
Public Accountants*

\* A Professional Accounting Corporation

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control. We consider the deficiencies described at #2009-1 through #2009-3, and #2009-7 in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiencies described above are material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items #2009-4 through #2009-6 and #2009-8 through #2009-10.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Village's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information of management, Board of Aldermen, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Grossard, Rodie, Lewis & Associates LLP.*

Lafayette, Louisiana  
January 7, 2010

## VILLAGE OF TURKEY CREEK, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2009

We have audited the basic financial statements of the Village of Turkey Creek, Louisiana, as of and for the year ended June 30, 2009, and have issued our report thereon dated January 7, 2010. 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. The auditors' report does not express an opinion on the basic financial statements of the Village of Turkey Creek, Louisiana.

## Section I. Summary of Auditors' Reports

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

## Internal Control

|                          |          |     |     |    |
|--------------------------|----------|-----|-----|----|
| Significant Deficiencies | <u>X</u> | Yes | ___ | No |
| Material Weaknesses      | <u>X</u> | Yes | ___ | No |

## Compliance

|   |          |     |     |    |
|---|----------|-----|-----|----|
| Compliance Material to Financial Statements | <u>X</u> | Yes | ___ | No |
|---|----------|-----|-----|----|

## Section II. Financial Statement Findings

**#2009-1 Segregation Of Duties**

**Finding:** Due to the size of the Village, an adequate segregation of duties does not exist within the accounting function. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Village may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition. A similar finding was reported in the prior year's audit report at #2007-2.

**Recommendation:** Keeping in mind the limited number of employees to which duties can be assigned, the Village should monitor the assignment of duties to assure as much segregation of duties and responsibility as possible.

**Management Response:** We have segregated duties as much as possible. We will continue to monitor the situation.

**#2009-2 Traffic Tickets**

**Finding:** The Village's policies and procedures relating to the collection, deposit, and recordation of citation receipts are not written. In addition, adequate records were not being kept for traffic tickets nor did the Village maintain adequate records for all citation payment receipts for all of 2009.

**Recommendation:** The Village should implement written policies and procedures relating to the collection, deposit, and recordation of citation receipts as well as to how traffic tickets are to be accounted for. In addition, the Village should ensure that adequate records are kept for traffic tickets and the related citation receipts and that all funds collected are deposited daily and properly recorded.

**Management Response:** We are recording all funds collected, we are checking the daily total deposits to the total receipts on a regular basis, we are in the process of writing policies and procedures relating to collection, deposit and recordation of citation receipts, and we feel we are now maintaining adequate public records.

#### **#2009-3 Utility Revenues**

**Finding:** The Village's policies and procedures relating to the billing and collection of utility revenues are not written. In addition, adequate records were not maintained for utility accounts receivable and charges for utility services for all of 2009.

Because the Village did not maintain adequate records for utility accounts receivable and charges for utility services for all of 2009, the Village may not be able to produce financial statements that accurately reflect its financial position and its changes in financial position for 2009. A similar finding was reported in the prior year's audit report at #2008-3.

**Recommendation:** The Village should implement written policies and procedures relating to the billing and collection of utility revenues, which should include policies and procedures for utility billing adjustments. In addition, the Village should ensure that adequate records are kept for utility accounts receivable and charges for utility services and that all funds collected are deposited daily and properly recorded.

**Management Response:** We feel that all funds collected are now being adequately recorded, we are checking the daily total deposits to the total receipts on a regular basis, all adjustments to customer accounts are being approved at council meetings, we are in the process of writing our new policies and procedures relating to the collection, deposit, and recordation of utility consumption receipts and procedures relating to utility billing adjustments. We feel that we are now maintaining adequate records.

#### **#2009-4 Budget Violation**

**Finding:** The Village failed to comply with the Louisiana Local Government Budget Act. Minutes of meetings did not indicate budgets were adopted for any of the Village's funds for the 2009 fiscal year. The Village apparently operated using the same budget that was adopted for its 2008 fiscal year. Also, actual expenditures in the General Fund exceeded the amount represented to be budgeted expenditures by 18.80% which is another violation of the Act. The Louisiana Local Government Budget Act states that actual expenditures cannot exceed budgeted expenditures by more than 5%. A similar finding was reported in the prior year's audit report at #2008-5.

**Recommendation:** The Village should comply with State Law when budgeting revenues and expenditures.

Management Response: We will comply with State Law when budgeting in the future.

**#2009-5 Quarterly Affidavits For Related Party Transactions**

Finding: Quarterly affidavits are not being filed with the Louisiana Board of Ethics related to purchases from Chapelle's Corner Grocery. In addition, Mr. Chapelle votes to pay bills even when a bill for Chapelle's Corner Grocery is in the list of bills being approved. Purchases from Chapelle's Corner Grocery totaled \$6,944 during the 2009 fiscal year.

Recommendation: The Village should comply with the requirements of the Louisiana Board of Ethics.

Management Response: The Village has stopped making purchases from Chapelle's Corner Grocery. Also, while the minutes may not always indicate so, Mr. Chapelle did not vote to approve bills from Chapelle's Corner Grocery.

**#2009-6 Expenditures For Items Not Allowed By State Law**

Finding: The Village purchased candy for the Christmas parade. While a \$500 donation was received to purchase candy, the Village spent \$1,379 on candy and trophies. Article 7 of the Louisiana Constitution of 1974 prohibits public entities from making donations.

Recommendation: The Village should not expend public funds for purposes which are not allowed by State Law.

Management Response: The Village will comply with State Law when expending public funds in the future.

**#2009-7 Inadequate Accounting Records**

Finding: Itemized receipts for certain credit card purchases totaling \$440 were not on file with the Village. In addition, the Village incurred late fees/charges for credit card payments not being made in a timely manner.

Recommendation: The Village should implement procedures to ensure that adequate accounting records are kept for all the receipts and disbursements of the Village. In addition, payments should be made timely as to not incur late fees/charges.

Management Response: The Village is working to ensure that adequate accounting records are kept for all of the Village's transactions.

**#2009-8 State Appropriation**

Finding: The line item appropriation received from the State of Louisiana in the amount of \$35,000 as per ACT 18 was to be spent by the Village by June 30, 2008; however, as of June 30, 2008, the Village had only spent \$740 of the appropriation. The funds were not spent in their entirety until February 2009. In addition, there was no indication that the reports required to be filed with the State of Louisiana in accordance with the agreement were indeed filed.

Recommendation: The Village should implement procedures to ensure that such agreements are complied with.

Management Response: The Village will implement procedures to ensure that agreements the Village is party to will be complied with in the future. In addition, the required reports will be filed with the State in accordance with the agreement.

**#2009-9 Rodeo Arena Lease**

Finding: The Village leased property for \$1 per year. There was no indication that the Village advertised that it would be accepting proposals for the lease of said property nor was there documentation as to why the Village felt the lease would not violate State Law.

Recommendation: The Village should implement procedures to ensure that they comply with State Law when leasing public property. In addition, the Village should request an opinion on the legality of the lease from the Attorney General.

Management Response: The Village will determine the legality of the lease and implement procedures to ensure compliance with State Law when leasing public property.

**#2009-10 Compliance With State Audit Law**

Finding: The Village did not have its financial statement as of and for the years ended June 30, 2008 and 2009 audited and submitted to the Legislative Auditor by December 31, 2008 and 2009, respectively, in accordance with State Law.

Recommendation: The Village should comply with the State Audit Law.

Management Response: The Village engaged a CPA firm to audit its 2008 and 2009 financial statements in October of 2009. The Village intends to comply with the State Audit Law in the future.

VILLAGE OF TURKEY CREEK, LOUISIANA

SCHEDULE OF PRIOR FINDINGS  
Year Ended June 30, 2009

Section I. Internal Control and Compliance Material to the Financial Statements

**#2008-1 Segregation Of Duties**

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Village should monitor the assignment of duties to assure as much segregation of duties and responsibility as possible.

Current Status: This finding is repeated in the current year at #2009-1. The Village has provided as much segregation as possible with the resources available.

**#2008-2 Traffic Tickets**

Recommendation: The Village should implement written policies and procedures relating to the collection, deposit, and recordation of citation receipts as well as to how traffic tickets are to be accounted for. In addition, the Village should ensure that adequate records are kept for traffic tickets and the related citation receipts and that all funds collected are deposited daily and properly recorded.

Current Status: The Village has began to implement policies and procedures relating to the collection, deposit, and recordation of citation receipts as well as to how traffic tickets are to be accounted for; however, those policies and procedures are not written as of yet. Also, there were not adequate accounting records to support traffic tickets and the related citation receipts and that all funds collected were deposited and properly recorded for all of 2009. A similar finding is repeated at #2009-2.

**#2008-3 Utility Revenues**

Recommendation: The Village should implement written policies and procedures relating to the billing and collection of utility revenues, which should include policies and procedures for utility billing adjustments. In addition, the Village should ensure that adequate records are kept for utility accounts receivable and charges for utility services and that all funds collected are deposited daily and properly recorded.

Current Status: The Village has began to implement policies and procedures relating to the billing and collection of utility revenues, as well as for utility billing adjustments; however, those policies and procedures are not written as of yet. Also, there were not adequate accounting records to support all utility accounts receivable and charges for utility services and that all funds collected are deposited and properly recorded for all of 2009. A similar finding is repeated at #2009-3.

**#2008-4 Timeliness Of Deposits**

Recommendation: The Village should comply with State Law and make daily deposits when practicable.

Current Status: The Village is making deposits as often as practical. It is not always practical to make daily deposits because the Village's financial institution does not have a branch office in Turkey Creek; however, deposits are being made as timely as possible. This finding is considered resolved.

**#2008-5 Budget Violation**

Recommendation: The Village should comply with State Law when budgeting revenues and expenditures.

Current Status: A similar finding is reported at #2009-4.

**#2008-6 No Docket Kept By Mayor**

Recommendation: The Village and the Mayor should comply with State Law.

Current Status: The Mayor began keeping a regular docket during 2009. This finding is considered resolved.

**#2008-7 Improper Disposition Of Citations**

Recommendation: The Mayor should comply with State Law.

Current Status: The Mayor began to dispose of citations in accordance with State Law during 2009. This finding is considered resolved.

**#2008-8 Traffic Violations Not Reported**

Recommendation: The Village should comply with State Law.

Current Status: The Village began reporting all traffic violations to the Louisiana Department of Public Safety as required by State Law during 2009. This finding is considered resolved.

**#2008-9 Quarterly Affidavits For Related Party Transactions**

Recommendation: The Village should comply with the requirements of the Louisiana Board of Ethics.

Current Status: This finding is repeated at #2009-5.

**#2008-10 Expenditures For Items Not Allowed By State Law**

Recommendation: The Village should not expend public funds for purposes which are not allowed by State Law.

Current Status: This finding is repeated at #2009-6.

**#2008-11 Inadequate Accounting Records**

Recommendation: The Village should implement procedures to ensure that adequate accounting records are kept for all the receipts and disbursements of the Village.

Current Status: A similar finding is repeated at #2009-7.

**#2008-12 State Appropriation**

Recommendation: The Village should implement procedures to ensure that such agreements are complied with.

Current Status: This finding is repeated at #2009-8.

**#2008-13 Rodeo Arena Lease**

Recommendation: The Village should implement procedures to ensure that they comply with State Law when leasing public property. In addition, the Village should request an opinion on the legality of the lease from the Attorney General.

Current Status: This finding is repeated at #2009-9.

**#2008-14 Compliance With State Audit Law**

Recommendation: The Village should comply with the State Audit Law.

Current Status: This finding is repeated at #2009-10.

**Section II. Internal Control and Compliance Material to Federal Awards**

Not applicable.

**Section III. Management Letter**

There were no matters reported in a separate management letter for the year ended June 30, 2008.