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VILLAGE OF OAK RIDGE, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2003

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

Release Date 4-28-04

VILLAGE OF OAK RIDGE, LOUISIANA
 General Purpose Financial Statements
 As of and For the Year Ended December 31, 2001
 With Supplemental Information Schedules

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TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

March 25, 2004

Office of Legislative Auditor
Attention: Ms. Dorothy Milner
1600 North Third
Post Office Box 94387
Baton Rouge, Louisiana 70804-5387

Dear Ms. Milner:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Village of Oak Ridge, Louisiana as of and for the fiscal year ended December 31, 2003. The report includes all funds under the control and oversight of the municipality. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,


Rocky C. Little
Clerk

Enclosure

MEEKS & CALVIT

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

217 Benedictine Street - Rayville, Louisiana 71269 • 318-728-6887 • Fax 318-728-8882

Zoe F. Meeks, CPA

Sylvia D. Calvit, CPA

Honorable Mayor and Members of
the City Council
Village of Oak Ridge, Louisiana

We have compiled the accompanying combined financial statements of the Village of Oak Ridge, Louisiana as of and for the year ended December 31, 2003 as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the city officials. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Phyllis J. Calvit
March 25, 2004

MEEKS & CALVIT

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

317 Esplanade Street - Rayville, Louisiana 71279 - 336-728-2667 - Fax 336-728-2543

Zoe E. Meeks, CPA

Sylvia B. Calvit, CPA

Independent Accountants' Report on Applying Agreed-Upon Procedures

HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

Village of Oak Ridge, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Oak Ridge, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Oak Ridge, Louisiana's compliance with certain laws and regulations during the year ended December 31, 2009 included in the accompanying *Louisiana Assertion Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2231(the public bid law).

Expenditures were made during the year for public works exceeding \$100,000 in the capital projects fund for a sewer system expansion. All purchases were examined and determined to be in accordance with LSA-RS 38:2211-2231.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1301-1324(the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management (agreed-upon procedure (3)) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and the amendments to the budget.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on December 2, 2002 which indicated that the budget had been adopted by the aldermen of the Village of Oak Ridge, Louisiana by a unanimous vote.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a) trace payments to supporting documentation as to proper amount and payee

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the payments were properly coded to the correct fund and general ledger account.

c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Town Clerk and the Mayor.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:13(the open meetings law).

The Village of Oak Ridge, Louisiana is only required to post a notice of each meeting and the accompanying agenda on the door of the town hall. In addition to complying with this procedure, postcards were mailed each month to notify such members of the meetings.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the district for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior year report dated March 25, 2003 did not include any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Oak Ridge, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Paula J. Cochran

March 25, 2004

VILLAGE OF OAK RIDGE
OAK RIDGE, LOUISIANA

LOUISIANA ATTESTATION QUESTIONNAIRE

March 22, 2004

Moore & Cahill

A Corporation of Certified Public Accountants
217 Bonadette Street
Rayville, Louisiana 71269

In connection with your compilation of our financial statements as of December 31, 2003 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of March 22, 2004.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2112, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

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

Yes No

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

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:35.

Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:82, as applicable.

Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 53 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes No

Advances and Bonuses

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

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Cathy C. Fitch Secretary March 22, 2004 Date
A. W. Bell Mayor March 22, 2004 Date

VILLAGE OF ONE BEIGE, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT ORDERS
 December 31, 2020

	Governmental Fund Types		Proprietary Fund Types		Accounts Grant		Totals (Memorandum Entry)
	General	Special	Total	Enterprise	General	Long-Term	
ASSETS:							
Cash	\$ 74,571	\$ -	\$ 82,100	\$ -	\$ -	\$ -	\$ 114,672
Investment in Certificate of Deposit	194,822	193,941	79,968	-	-	-	480,799
Accounts Receivable - Taxes, Grants and Customers	1,779	-	4,512	-	-	-	6,911
Restricted Assets - Cash (Note 1)	-	-	46,247	-	-	-	46,247
Water & Sewer Systems (Notes 1 & 5)	-	-	1,481,705	-	-	-	1,481,705
Accumulated Depreciation	-	-	(260,100)	-	-	-	(260,100)
Land	-	-	2,100	-	-	-	2,100
General Fund Assets (Notes 1 & 5)	-	-	-	-	69,459	-	69,459
Total Assets	271,172	393,941	1,300,292	69,459	-	-	1,730,462
LIABILITIES AND FUND EQUITY:							
Liabilities							
Customer Deposits	-	-	2,790	-	-	-	2,790
Accrued Interest Payable	-	-	1,077	-	-	-	1,077
General Obligation Bonds Payable (Notes 1 & 5)	2,766	-	260,042	-	-	-	260,042
Accounts Payable	-	-	326	-	-	-	3,091
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	2,766	-	344,159	-	-	-	360,890

(Continued)

TABLE OF ONE RIDGE, LOUISIANA
COMBINED BALANCE SHEET - ALL FUNDS TYPES AND ACCOUNT GROUPS
 December 31, 2003

	Governmental Fund Types		Proprietary Fund Types		Account Groups			Totals (Memoranda Only)
	Special Revenue	Debt Service	Debt Service	General Fund	General Fund	Long-Term Debt	(Memoranda Only)	
EQUITY AND OTHER CREDITS:								
Contributed Capital	-	-	1,191,433	-	-	-	1,191,433	
Investments in General Fund Assets	-	-	-	69,519	-	-	69,519	
Retained Earnings (Deficit) (Note 1)	-	-	(151,874)	-	-	-	(151,874)	
Fund Balances:								
Reserved for Water Maintenance & Fire Protection	-	-	-	-	-	-	-	
Unreserved	358,608	39,944	393,941	-	-	-	752,553	
Total Equity and Other Credits	358,608	39,944	1,435,584	69,519	69,519	-	1,498,200	
Total Liabilities, Equity and Other Credits	517,172	239,944	2,000,941	2,300,293	260,569	0	4,318,959	

The accompanying notes are an integral part of this statement.

VILLAGE OF OAK RIDGE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 2003

	<u>General</u>	<u>Special</u> <u>Revenues</u>	<u>Date</u> <u>Service</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
REVENUES:				
Taxes	\$ 15,274	\$ -	\$ -	\$ 15,274
Licenses & Permits	14,280	-	-	14,280
Fees & Fines/forfeits	9,271	-	-	9,271
Intergovernmental	2,936	-	-	2,936
Interest Revenues	2,299	584	2,881	5,758
Miscellaneous	5,612	-	-	5,612
Total Revenues	49,452	584	2,881	52,917
EXPENDITURES:				
General Government	14,697	-	-	14,697
Public Safety	14,305	-	-	14,305
Health & Welfare	4,162	-	-	4,162
Highways & Streets	5,510	-	-	5,510
Capital Outlay	950	-	-	950
Total Expenditures	39,642	-	-	39,642
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,810	584	2,881	13,275
OTHER FINANCING SOURCES (USES):				
Opening Transfer In	-	-	-	-
Opening Transfer Out	(5,010)	-	-	(5,010)
	(5,010)	-	-	(5,010)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	4,800	584	2,881	8,265
FUND BALANCES, January 1	181,606	25,360	180,190	377,156
FUND BALANCES, December 31	186,406	25,944	183,071	395,421

The accompanying notes are an integral part of this statement.

VILLAGE OF OAK RIDGE, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 15,000	\$ 15,274	\$ 274
Licenses & Permits	14,000	14,286	286
Fees & Forfeitures	3,500	9,271	1,771
Fees & Commissions	4,000	4,382	382
Intergovernmental Revenues	-	2,926	2,926
Interest Revenues	1,500	2,293	793
Rental of Property	<u>1,000</u>	<u>1,025</u>	<u>25</u>
Total Revenues	<u>43,000</u>	<u>49,457</u>	<u>6,457</u>
EXPENDITURES:			
General Government	19,000	14,897	4,103
Public Safety	14,000	14,305	(305)
Health & Welfare	4,000	4,162	(162)
Highways & Streets	4,000	5,533	(1,533)
Capital Outlay	<u>1,000</u>	<u>850</u>	<u>150</u>
Total Expenditures	<u>41,000</u>	<u>39,647</u>	<u>1,353</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,000</u>	<u>9,810</u>	<u>7,810</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	-	-	-
Operating Transfers Out	<u>(3,000)</u>	<u>(5,010)</u>	<u>2,010</u>
	<u>(3,000)</u>	<u>(5,010)</u>	<u>2,010</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(4,000)	4,800	8,800
FUND BALANCE, January 1	<u>162,808</u>	<u>162,808</u>	<u>-</u>
FUND BALANCE, December 31	<u>\$158,808</u>	<u>\$167,608</u>	<u>\$8,800</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ONE RIDGE, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS (DEFICIT)
 PROPRIETARY FUND TYPE
 Year Ended December 31, 2003

	<u>Amount</u>
OPERATING REVENUES:	
Charges for Services	<u>9,50,000</u>
OPERATING EXPENSES:	
Road Debt	74
Depreciation	37,435
Interest Expense	15,420
Insurance	777
Office & Postage	2,965
Repair & Maintenance	22,434
Salaries	2,400
Supplies	3,781
Utilities	3,795
Meter Reading Service	<u>1,308</u>
Total Operating Expenses	<u>89,824</u>
OPERATING INCOME (LOSS)	<u>(80,324)</u>
OTHER INCOME:	
Interest Income	1,089
Grant-Governor's Office of Rural Development	<u>8,217</u>
Total Other Income	<u>9,306</u>
NET INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	<u>(71,018)</u>
(OTHER) FINANCING SOURCES (USES):	
Operating Transfers In	5,010
Operating Transfers Out	<u>-</u>
Total Other Financing Sources (Uses)	<u>5,010</u>
NET INCOME (LOSS)	<u>(66,008)</u>
Retained Earnings (Deficit), January 1	<u>(124,310)</u>
Retained Earnings (Deficit), December 31	<u>(190,318)</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF OAK RIDGE, LOUISIANA
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended December 31, 2003

	<u>Amount</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (22,144)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation	37,418
(Increase) Decrease in Customer Accounts	307
Increase (Decrease) in Accounts Payable	<u>(244)</u>
Net Cash Provided by Operating Activities	15,347
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating Transfers from Other Funds	5,000
Increase in Customer Deposits	<u>120</u>
Net Cash Provided by Noncapital Financing Activities	<u>5,180</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Retirement of Utilities Revenue Bonds	<u>(5,783)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(5,783)</u>
NET INCREASE IN CASH	15,615
CASH, January 1	<u>199,728</u>
CASH, December 31	<u>215,343*</u>

*Includes \$43,497 restricted balance in Revenue Bond Sinking
 Reserve Funds and \$2,750 restricted for customer deposits.

The accompanying notes are an integral part of this statement.

VILLAGE OF OAK RIDGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

The Village of Oak Ridge, Louisiana was incorporated July 1, 1867 and operates under a mayor-board of aldermen form of government. The accounting and reporting practices of the Village of Oak Ridge, Louisiana, except as noted in the following paragraph, conform to generally accepted accounting principles applicable to governmental units. Such accounting procedures also conform to the accounting requirements of Louisiana Revised Statutes 24:507 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, as the industry audit guide, Analysis of State and Local Governmental Units published by the American Institute of Certified Public Accountants, and to Governmental Accounting and Financial Reporting Principles, published by the National Council on Governmental Accounting.

The Village operated with a fiscal year ending June 30 until 1966 when the Town Board of Aldermen adopted an official reporting period ending December 31. The resolution adopting a new accounting period was effective beginning January 1, 1967.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Oak Ridge, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government village, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Oak Ridge, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.

VILLAGE OF OAK RIDGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Village of Oak Ridge, Louisiana (the primary government). The Village has no potential component units to include at this time.

II. FUND ACCOUNTING

The Village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

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

Governmental Funds

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fund assets, and the servicing of general long-term debt. Governmental funds include:

1. **General Fund** - the general operating fund of the Village accounts for all financial resources, except those required to be accounted for in other funds.
2. **Special Revenue Funds** - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. **Debt Service Funds** - account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligation account group.

VILLAGE OF OAK RIDGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

4. **Capital Project Funds** - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Proprietary Funds

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

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

General Fixed Assets and General Long-Term Debt Account Groups:

General Fixed Assets - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

C. BASIS OF ACCOUNTING

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

VILLAGE OF OAK RIDGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Revenues are recognized when they are available and measurable.

Expenditures are recognized when incurred.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned, and their expenses are recognized when incurred.

DA. BUDGETS AND BUDGETARY ACCOUNTING

The Board of Aldermen adopts annual budgets for the General Fund and the Water and Sewer Enterprise Fund which are prepared on the basis of accounting utilized by those funds. Annual budgets are not adopted for the other funds.

E. ENCUMBRANCES

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Village of Oak Ridge, Louisiana.

F. CASH, CASH EQUIVALENTS AND INVESTMENTS

For reporting purposes, cash and investments include (cash, demand deposits, time deposits, and certificates of deposit). Under state law, the Village of Oak Ridge, Louisiana, may deposit funds within a fiscal agent bank. Further, the Village may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

G. RESTRICTED ASSETS

The ordinance authorizing the Water and Sewer System revenue bonds requires that the Village establish a sinking fund (Revenue Bond Sinking and Reserve Fund) in an amount not less than the maximum annual requirement for the payment of principal and interest on all the revenue bonds. At December 31, 2009, the sinking fund balance is sufficient to satisfy such bond ordinance requirements.

The ordinance further requires that the proceeds from the sale of revenue bonds be expended for certain capital improvements to the Water and Sewer System. The proceeds are maintained as Restricted Assets-Bond Construction Fund until such time as needed to fund the Water and Sewer System construction program.

**VILLAGE OF OAK RIDGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

The ordinance further requires that the Village establish a Reserve Fund and a Contingency Fund with monthly deposits of \$80 and \$82 to the respective funds beginning June 20, 1991. The Reserve Fund deposits shall continue until \$19,193.56 is accumulated in the fund.

At December 31, 2003, the Reserve and Contingency fund balances were sufficient to satisfy such bond ordinance requirements:

Enterprise Fund

Revenue Bond Sinking & Reserve Fund	Bond & Grant Construction Fund	Customer Deposits	Total
\$43,482	\$ -	\$1,750	\$45,232

II. PROPERTY, PLANT AND EQUIPMENT

General Fixed Assets Accounts Group - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Group of Accounts, rather than in governmental funds. Public domain ("infrastructure") general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Water and Sewer System - Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line method and an estimated useful life of 40 years.

VILLAGE OF OAK RIDGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

I. COMPENSATED ABSENCES

The Village of Oak Ridge, Louisiana employs two individuals on a part-time basis only. Therefore, the Village does not maintain or participate in any retirement system or have a policy for accumulation of annual, vacation or sick leave.

J. FUND EQUITY

Contributed Capital

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

Reserves

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

Designated Fund Balances

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

K. TOTAL COLUMNS ON COMBINED STATEMENTS

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

NOTE 2 - ENTERPRISE FUND DEFICIT

The accumulated deficit in the water utility fund of \$451,874 as of December 31, 2003, resulted from the following: prior to June 30, 1991, an effective transfer to the General Fund of the excess of cash received from water utility operations over the cash disbursed incident to these operations was made. No cash was maintained in the water utility fund; receipts were deposited in the General Fund and disbursements were made from the same, with all excess becoming General Fund cash.

VILLAGE OF OAK RIDGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

This practice continued through June 30, 1991, when the water and sewer operations were combined and a separate bank account was established for the enterprise fund. This deficit of \$37,482 was reduced by net operating income in 1991 of \$4,648 and increased by net operating losses in 1992, 1993, 1994, 1995, 1996, 1997, 1998, and 1999 of \$6,486, \$21,608, \$16,109, \$11,143, \$8,128, \$1,313, \$5,340, and \$3,984. The 1992 - 1999 losses included depreciation expense in the amount of \$25,503 in each of the eight years. The amount of the deficit was reduced by a net operating income of \$1,517 in 2000 and increased by a net operating loss of \$3,813 in 2001, \$14,515 in 2002, and \$17,154 in 2003.

NOTE 3 - LEVIED TAXES

The Village levies ad valorem taxes in the following amounts:

General fund	8.13 mills
Sewer, Water and Road	5.00 mills

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and investments in certificates of deposit at December 31, 2003 were secured as follows:

	Interest Bearing Demand Deposits	Certificates of Deposit	Total
Carrying amount on Balance Sheet	<u>\$130,317</u>	<u>\$466,317</u>	<u>\$596,634</u>
Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	100,000	-	100,000
Collateralized with securities held by pledging financial institution's trust department or agency in the entity's name	<u>30,317</u>	<u>466,317</u>	<u>496,634</u>
Total FDIC insurance and pledged securities	<u>\$130,317</u>	<u>\$466,317</u>	<u>\$596,634</u>

As reflected in the Combined Balance Sheet, the Village of Oak Ridge, Louisiana had cash and investments in certificates of deposit totaling \$596,714. The total collected bank balances at December 31, 2003 were \$598,184. Cash and investments are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The collateral was sufficient at all times during 2003 to secure the deposits.

VILLAGE OF OAK RIDGE, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS

NOTE 5 - FIXED ASSETS

A summary of the changes in general fixed assets is as follows:

	Balance January 1, 2009	Additions	Deletions	Balance December 31, 2009
Land & Buildings	\$34,650	\$ -	\$ -	\$34,650
Equipment & Vehicles	31,519	850	-	34,889
Total	<u>\$66,169</u>	<u>\$850</u>	<u>\$ -</u>	<u>\$68,519</u>

A summary of the enterprise fund fixed assets and depreciation at December 31, 2009 is as follows:

	Life	Cost	Accumulated Depreciation	Net	Depreciation This Year
Sewer System	40	\$ 325,056	\$108,685	\$ 216,371	\$ 8,126
Sewer System-Expansion	40	459,634	28,163	422,469	11,266
Water System-Old	40	142,425	87,889	54,536	3,677
Water System-Expansion	40	559,730	167,916	391,804	19,993
Fence	25	3,800	455	3,345	156
Totals		<u>\$1,491,715</u>	<u>\$393,118</u>	<u>\$1,098,635</u>	<u>\$32,218</u>

NOTE 6 - CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Village for the year ended December 31, 2009.

Public Improvement Bonds

Enola Water Project

Bonds Payable at January 1, 2009	\$263,834
Bonds Issued	-
Bonds Retired	<u>3,750</u>
Bonds Payable at December 31, 2009	<u>\$260,084</u>

VILLAGE OF OAK RIDGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

The individual issues are as follows:

\$225,000 Water System Improvement & Extension - Revenue bonds dated June 14, 1991, bearing interest at 5-7/8% per annum, payable in monthly installments of \$1,999.78 which includes principal and interest payable July 14, 1992 through June 14, 2021. Annual principal payments for the next five years are as follows:

2004	\$ 4,027
2005	4,270
2006	4,528
2007	4,801
2008	5,090
Thereafter	<u>257,322</u>
	<u>\$280,042</u>

VILLAGE OF OAK RIDGE, LOUISIANA
SCHEDULE OF GENERAL FUND REVENUES
Year Ended December 31, 2003

	Schedule 1
Taxes:	
Ad Valorem	<u>\$15,274</u>
Licenses & Permits:	
Occupational Licenses	<u>14,280</u>
Fees and Commissions:	
Franchise Fees and Commissions	<u>4,352</u>
Fines and Forfeitures:	
Traffic Violations	<u>9,271</u>
Intergovernmental:	
Governor's Office of Rural Development	<u>2,826</u>
Other:	
Interest Earned on Time Deposits	2,293
Rental of Property	<u>1,091</u>
	<u>3,384</u>
Total General Fund Revenues	<u>\$49,437</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF OAK RIDGE, LOUISIANA
 SCHEDULE OF GENERAL FUND EXPENDITURES
 Year Ended December 31, 2003

Schedule 1

General Government	
Salaries & Employer Taxes	\$ 3,351
Insurance	2,088
Utilities & Telephone	1,582
Repairs & Maintenance	660
Other Operating Expenses	2,741
Legal & Accounting	1,825
Capital Outlay	<u>350</u>
	<u>13,642</u>
Public Safety:	
Police:	
Salaries & Employer Taxes	9,669
Fuel & Repairs	2,266
Insurance	1,826
Other Operating Expenses	514
Capital Outlay	<u>-</u>
	<u>14,275</u>
Health & Welfare - Mosquito Control:	
Supplies	1,781
Contracted Services	381
Capital Outlay	<u>-</u>
	<u>4,162</u>
Highways & Streets:	
Street Light Utilities	5,333
Street Repairs	-
Capital Outlay	<u>-</u>
	<u>5,333</u>
Total General Fund Expenditures	<u>38,442</u>

VILLAGE OF OAK RIDGE, LOUISIANA
SCHEDULE OF FEE DUES & SALARY PAID TO ALDERMEN
Year Ended December 31, 2003

Schedule 3

The following compensation was paid to the Mayor and Aldermen of the Village of Oak Ridge, Louisiana for the year ended December 31, 2003.

The Honorable Anderson W. Barkam, Mayor	\$ 48
Curt H. Shepard, Alderman	24
Gene Allen, Alderman	24
John Baker, Alderman	<u>24</u>
	<u>\$120</u>