

# MICHAEL W. JOHNSON

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

I have audited the general purpose financial statements of the Village of Turkey Creek, Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated September 29, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Village of Turkey Creek, Louisiana, is the responsibility of the Village of Turkey Creek, Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Village's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of our tests disclosed the following instances of noncompliance that are required to be reported under Government Auditing Standards:

<b>Finding:</b>	The Village did not make the required monthly deposits into the "Certificate of Indebtedness, Series 1996, Sinking Fund" as required by the Certificate of Indebtedness, Series 1996, covenant.
<b>Cause:</b>	Management overlooked this requirement.

**Management's Response:** We concur in the finding and will, in the future, adopt the budgets prior to the beginning of the fiscal year for which the budgets are being adopted.

**Finding:** The Village failed to adopt a budget for the special Revenue Fund as required by budget law.

**Cause:** Management overlooked this requirement.

**Recommendation:** The Village should follow the budget law and adopt a budget for the special Revenue Fund each fiscal year.

**Management's Response:** We concur in the finding and have adopted a budget for the Special Revenue Fund for the fiscal year ending June 30, 1988.

**Finding:** Delinquent utility bills (water and sewerage) were allowed for some residents of the Village without cutting off the utilities.

**Cause:** Lack of implementation of the Village's policies.

**Recommendation:** Policies for all delinquent utility bills should be enforced for all residents. Delinquent residents should have all utilities cut-off on the designated cut-off date and should be required to pay the balance in full and the reconnect fee before reconnecting the utilities.

**Management's Response:** We are working toward being able to cut-off utilities for residents who do not pay.

This report is intended for the information of the Legislative Auditor, the management, and the Board of Aldermen. However, this report is a matter of public record, and its distribution is not limited.

*Michael W. Johnson*

Michael W. Johnson  
Certified Public Accountant

Monroe, Louisiana  
September 29, 1987

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the general purpose financial statements of the Village of Turkey Creek, Louisiana for the year ended June 30, 1997.

**Findings:** The Village did not make the required monthly deposits into the "Certificate of Indebtedness, Series 1990, Sinking Fund" as required by the Certificate of Indebtedness, Series 1990, covenant.

**Cause:** Management overlooked this requirement.

**Recommendation:** The Village should make required deposits into the sinking fund.

**Management's Response:** We concur in the finding and have begun to make the required monthly deposits.

**Findings:** The Village did not adopt the budget for the General and Special Revenue Funds prior to the beginning of the fiscal year as required by budget law.

**Cause:** Management overlooked this requirement.

**Recommendation:** The Village should follow the budget law and adopt the budgets prior to the beginning of the fiscal year for which the budgets are being adopted.

In planning and performing my audit of the general purpose financial statements of the Village of Turkey Creek, Louisiana, for the year ended June 30, 1987, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

**Finding:** There is not a proper segregation of duties among personnel.

**Cause:** Proper segregation of duties is not possible because of the small number of people involved.

**Recommendation:** Segregation of duties is not feasible.

**Management's Response:** We concur in the finding.

**Finding:** Total revenue and other sources of the General Fund failed to meet total budgeted revenues and other sources by more than \$1 and management did not amend the budget accordingly.

**Cause:** Management overlooked this requirement.

**Recommendation:** Management should establish procedures to monitor actual revenues and other sources against the approved budgets and to amend the budgets when appropriate.

**Management's Response:** We concur in the finding and have established procedures to monitor actual revenues and other sources against the approved budgets and to amend the budgets when appropriate.

# MICHAEL W. JOHNSON

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

I have audited the general purpose financial statements of the Village of Turkey Creek, Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated September 29, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Village of Turkey Creek, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

**TABLE OF FUND BALANCE**  
**STATE OF TEXAS, FISCAL YEAR ENDING**  
**FOR THE YEAR ENDING JUNE 30, 1997**

<u>Federal, Donor/Pass-Through</u> <u>Receipts/Transfer Title</u>	<u>Federal</u> <u>Share</u>	<u>Pass-Through</u> <u>Share/ %</u>	<u>Program or</u> <u>Award</u>	<u>Grant</u> <u>Number</u>	<u>Grand Total</u>
<b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
Pass-Through State Division of Administration - (0000)	74,000	100-0000	150,000	02-05	324,000
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>150,000</b>	<b>02-05</b>	<b>324,000</b>

Financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Michael M. Johnson*

Michael M. Johnson  
Certified Public Accountant

Bossier, Louisiana  
September 29, 1997

# MICHAEL W. JOHNSON

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## INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

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

I have audited the general purpose financial statements of the Village of Turkey Creek, Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated September 29, 1997. These general purpose financial statements are the responsibility of the Village of Turkey Creek, Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Village of Turkey Creek, Louisiana, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Turkey Creek, Louisiana. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose



VILLAGE OF TURKEY CREEK  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

**Note F - Collateralization of Cash**

A schedule of cash collateralized is as follows:

Cash on Hand and on deposit at American Security Bank	<u>\$108,187</u>
Amount collateralized by American Security Bank	\$354,375
Amount insured by FDIC	<u>100,000</u>
Total	<u>\$462,562</u>

Cash is adequately insured or collateralized as June 30,  
1997.

**NOTE G - STATEMENT OF CASH FLOWS**

Cash and Cash Equivalents referred to in the statement of  
cash flows relates to cash in banks.

**NOTE H - DEDICATION OF PROCEEDS - 2% SALES AND USE TAX**

Proceeds of the two percent (2%) sales and use tax are  
dedicated to the following purposes:

After paying the reasonable and necessary expenses of col-  
lection and administration, for acquiring, constructing,  
improving, maintaining, and operating a community center for  
the Village and improving and maintaining public streets and  
drainage works in the Village.

**NOTE I - CERTIFICATES OF INDEBTEDNESS, SERIES 1997**

Following the close of the year ended June 30, 1997, the  
Village issued \$200,000 of Certificates of Indebtedness,  
Series 1997, for the purpose of paying the cost of con-  
structing a new deep water well. The Certificates, dated  
August 1, 1997, will bear interest at the rate of 5 1/4% per  
annum (payable semiannually on February 1 and August 1 of  
each year) and shall become due and payable and mature  
serially on August 1 in the years 1998 through 2007, inclu-  
sive.

VILLAGE OF TURKEY CREEK  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

**Note C-Long-Term Debt Account Group**

Note Payable - Police Car - consists of a 4 year, 8.42% note payable in monthly installments of \$421.54. The original amount of the loan, was 17,103.80. This loan, dated June 14, 1993, was paid in full at June 30, 1997.

**Enterprise Fund Debt:**

Certificate of Indebtedness, Series 1995 - consists of a 10 year, 6.5% Certificate of Indebtedness payable in semi-annual installments with interest payable on August 1, and February 1, and principal payable each February 1.

The annual requirements to amortize debt outstanding as of June 30, 1997, are as follows:

Year Ending <u>June 30,....</u>	Water <u>SYSTEM</u>
1998	\$ 10,000
1999	10,000
2000	10,000
2001	10,000
2002	40,000
2003 and after	<u>118,000</u>
Total	<u>\$138,000</u>

**Note D-Litigation**

According to the Village's attorney, the Village is not involved in any litigation.

**Note E-Compensation of Mayor and Board of Aldermen**

A schedule of compensation paid to the Mayor and Board of Aldermen is as follows:

	<u>Compensation</u>
Blaire Janet	\$ 4,400
Walter M. Johnson	3,400
Curry Stewart	3,400
M. E. Chapelle	<u>3,400</u>
Total	<u>\$14,600</u>

VILLAGE OF TURREY GREEN  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

must be taken in the year accrued and cannot be carried over. Although generally accepted accounting principles (GAAP) require accrual, no accrual amount was recorded as of June 30, 1997, due to immateriality.

**Bad Debts**

Uncollectible accounts due for ad valorem taxes and customers' utility receivables are charged off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables were recorded at June 30, 1997 due to immateriality.

**Note B-Fixed Assets**

A summary of changes in general fixed assets follows:

	Balance 1/31/96	Additions	Deletions	Balance 6/30/97
Land	\$ 36,000	\$	\$	\$ 36,000
Buildings	38,977			38,977
Improvements other than buildings	64,450			64,450
Equipment	71,286	1,000		72,286
Total general fixed assets	\$210,713	\$ 1,000	\$ -0-	\$211,713

A summary of proprietary fund type property, plant and equipment at June 30, 1997, is as follows:

Real Estate	\$ 14,480
Buildings & Improvements	27,641
Furniture and fixtures	52,020
Transportation equipment	34,818
Machinery	139,540
Plant, equipment and extensions - (water system)	637,701
Sewer System	887,020
Construction-in-Progress	28,884
Total	\$2,032,104
Less: accumulated depreciation	524,720
Net	\$1,507,384

VILLAGE OF TURKEY CREEK  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Municipal Employees Retirement System (MERS)

Plan Description and Provisions:

Employees of the Village of Turkey Creek were members of the MERS, a multiple-employer, cost-sharing pension plan.

The payroll for the employees covered by the MERS for the year ended June 30, 1997 was \$71,192; the Village's total payroll was \$93,928. A census of the group is not available at June 30, 1997.

Employees may retire at any age with 30 or more years of creditable service, at age 55 with 25 years of creditable service, at age 60 with a minimum of 10 years of creditable service, or under age 60 with 5 years of creditable service eligible for disability benefits. Survivor's benefits require 5 years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member shall consist of an amount equal to 3% of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Description of Funding Policy:

Covered employees are required by state statute to contribute 3.25% of their salary to MERS. The Village is required by this statute to contribute 6.25% of covered salaries to the system. The system also receives 1/4 of 1% of ad valorem taxes collected by the parish and state revenue sharing funds received.

The FBO is a standardized disclosure measure of the present value of pension benefits. The pension benefit obligation is not available at June 30, 1997. Future deficits in the system will be financed by the State and the Village has no further liability to the system, other than required current contributions.

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Although sick leave accumulated and is available for employees when needed, it does not vest, nor is it payable at termination of employment. Vacation

VILLAGE OF TURKEY CREEK  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

2. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

However, the budget for the year ended June 30, 1997 was not adopted prior to the commencement of the fiscal year.

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. All budgetary appropriations lapse at the end of each fiscal year.
5. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. No budget was adopted for the Special Revenue Fund for the fiscal year ended June 30, 1997 as the Board was unaware of this requirement.

Unbilled Services - unbilled services are not reported as receivables due to immateriality.

Inventory - Inventories are not recorded in the financial statements or the funds due to immateriality.

Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Village in September or October and are actually billed to the taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Evangeline Parish.

For the year ended June 30, 1997 taxes of 6.48 Mills were levied on property with assessed valuations totaling \$637,766.

Total taxes levied were \$5,413.

VILLAGE OF TURETT CREEK  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Depreciation of all depreciable fixed assets used by Proprietary Funds is charged as an expense against their operations, accumulated depreciation is reported on Proprietary Fund Balance Sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

utility system and improvements	40 - 50 Years
Equipment	3 - 30 Years

Basis of Accounting

Basis of Accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the Financial Statements. Basis of Accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the Modified Accrual Basis of Accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes are recorded as revenue when levied even though a portion of the taxes may be collected in subsequent years. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Sales Tax, Franchise Fees, Inter-Governmental Revenues, and Interest Income are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

Expenditures are generally recognized under Modified Accrual Basis of Accounting when the related fund liability is incurred.

All Proprietary Funds are accounted for using the Accrual Basis of Accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgets and Budgetary Accounting - The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Village Treasurer prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

VILLAGE OF FOREST GREEN  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental Fund Operating Statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "Available Spendable Resources" during a period.

Fixed assets used in Governmental Fund Type Operations and infrastructure assets such as roads, etc. (General Fixed Assets) are accounted for in the General Fixed Assets Account Group, rather than in Governmental Funds. No depreciation has been provided on General Fixed Assets.

All Fixed Assets are valued at historical cost.

The General Fixed Asset Account Group is not a "fund". It is concerned only with measurement of financial position. It is not involved with measurement of results of operations.

Long-Term Liabilities expected to be financed from Governmental Funds are accounted for in the General Long-Term Debt Account Group not in the governmental Funds.

The General Long-Term Debt Account Group is not a "fund." It is concerned only with measurement of financial position. It is not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for Governmental Fund Types is limited to accrual amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term accounts are not recognized as Governmental Fund Type Expenditures or Fund Liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All Proprietary Funds are accounted for on a cost of service or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. The reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary Fund Type Operating Statements present increases (revenues) and decreases (expenses) in net total assets.

VILLAGE OF FURKEY CREEK  
NOTES TO FINANCIAL STATEMENTS, CONTINUED.

Fund Accounting

The Accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the Financial Statements in this report, into Governmental Fund Types and Broad fund categories as follows:

Governmental Funds

General Fund - The General Fund is the General Operating Fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund

Special Revenue Fund - The Special Revenue Fund is used to account for the receipt and use of the two percent (2%) sales and use tax levied by the Village.

Proprietary Funds

Enterprise Fund - The Utility Fund is used to account for the operation of the Water Department. Enterprise Funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All Governmental Funds are accounted for on



**VILLAGE OF TURKEY CREEK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 1987**

**Note A-Summary of Significant Accounting Policies**

The Village of Turkey Creek, Louisiana was incorporated December 10, 1984, under the provisions of the Louisiana Act. The Village operates under a Mayor-Board of Aldermen form of government.

The financial statements of the Village of Turkey Creek, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

**Reporting Entity**

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public services. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, all possible components are included in the reporting entity.

**VILLAGE OF TUCKER CREEK, LOUISIANA**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**PERIODS ENDING JUNE 30, 1997 AND 1996**

	1997	1996
<b>Cash Flows from Operating Activities:</b>		
Net Income (Loss) from operating activities	\$ 24,860	\$ 49,490
Adjustments to Reconcile Operating Income/ (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	47,782	32,480
(Increase)/Decrease in Receivables	2,804	( 8,299)
(Increase)/Decrease in Prepaid Expenses	514	-0-
Increase/(Decrease) in Payables	<u>2,193</u>	<u>1,263</u>
Net Cash Provided by Operating Activities	<u>\$ 78,153</u>	<u>\$ 73,944</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Payments (to) from Other Funds	<u>\$ (21,163)</u>	<u>\$ (26,603)</u>
Net Cash from Noncapital Financing Activities	<u>\$ (21,163)</u>	<u>\$ (26,603)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Borrowing Proceeds	\$ 9,874	\$ 348,970
Payments for Property, Plant, and Equipment	(40,732)	(348,167)
Note Principal Payments	(30,000)	( 25,000)
Interest Paid	<u>(22,755)</u>	<u>( 22,600)</u>
Net Cash Flow from Capital and Related Financing Activities	<u>\$ (83,613)</u>	<u>\$ (47,800)</u>
<b>Cash Flows from Investing Activities:</b>		
Interest Received	<u>\$ 1,216</u>	<u>\$ 1,216</u>
Net Cash Flow from Investing Activities	<u>\$ 1,216</u>	<u>\$ 1,216</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (13,114)</b>	<b>\$ (13,793)</b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1996</b>	<b><u>113,149</u></b>	<b><u>126,943</u></b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 1997</b>	<b><u>\$ 92,035</u></b>	<b><u>\$ 113,150</u></b>

The accompanying notes are an integral part of this statement.

**VILLAGE OF TERRY CREEK**  
**MEMORANDUM FORM**  
**REGULABLE FORM**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**RESERVED EARNINGS**  
**YEARS ENDED JUNE 30, 1997 AND 1996**

	1997	1996
<b>Operating Revenues:</b>		
Charges for Services -		
Water Sales	\$213,314	\$214,738
Connection Fees	9,298	18,308
Membership Fees	8,379	9,908
Relinquishment Charges	7,244	6,163
Miscellaneous	6,984	824
Coverage Revenues	<u>17,889</u>	<u>4,388</u>
Total Operating Revenues	<u>\$263,626</u>	<u>\$263,529</u>
<b>Operating Expenses:</b>		
Salaries	\$ 67,486	\$ 59,428
Retirement Expense	5,888	7,873
Gas & Oil	7,489	2,361
Insurance	13,381	16,341
Advertising	1,426	851
Utilities	17,848	19,298
Repairs and Maintenance	29,879	29,820
Supplies and Parts	18,898	18,821
Office Expense	5,750	5,899
Depreciation Expense	47,782	32,488
Professional Fees	17,849	18,283
Taxes & Permits	1,171	1,648
Miscellaneous	3,238	3,513
Bad Debts	-0-	-0-
Coverage Expense	<u>1,700</u>	<u>532</u>
Total Operating Expenses	<u>\$228,219</u>	<u>\$228,513</u>
Operating Income	\$ 34,888	\$ 48,484
<b>Nonoperating Revenues (Expenses):</b>		
Interest Income	\$ 9,298	\$ 7,352
Interest Expense	<u>(129,185)</u>	<u>(121,680)</u>
Total Nonoperating Revenues (Expenses)	<u>\$18,411</u>	<u>\$12,024</u>
Net Income Before Operating Transfers	\$ 53,299	\$ 60,508
<b>Operating Transfers:</b>		
Transfers (to) from General Fund	\$(21,387)	\$(28,487)
Total Operating Transfers	<u>\$(21,387)</u>	<u>\$(28,487)</u>
Net Income	\$31,912	\$ 32,021
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<u>381,138</u>	<u>359,277</u>
<b>RETAINED EARNINGS, END OF YEAR</b>	<u>\$413,050</u>	<u>\$391,298</u>

The accompanying notes are an integral part of this statement.

**VILLAGE OF TONAWANDA  
 WATERFURNING FUND  
 COMPARATIVE BALANCE SHEET  
 JUNE 30, 1997 AND 1996**

	1997	1996
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 82,810	\$ 515,168
Accounts Receivable	31,800	36,626
Prepaid Insurance	4,235	4,768
Interest Receivable	<u>525</u>	<u>512</u>
Total Current Assets	<u>\$ 129,370</u>	<u>\$ 556,874</u>
<b>Fixed Assets:</b>		
Utility Plant In Service, Net of Accumulated Depreciation, (1997, \$132,770; 1996, \$484,987)	<u>\$1,540,818</u>	<u>\$1,551,078</u>
<b>TOTAL ASSETS</b>	<u><b>\$1,669,188</b></u>	<u><b>\$1,708,162</b></u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 500	\$ 8,080
Accrued Expenses	9,405	-0-
Employee Withholdings	2,138	2,178
Current Portion of Notes Payable	<u>38,000</u>	<u>38,000</u>
Total Current Liabilities	<u>\$ 49,043</u>	<u>\$ 48,258</u>
<b>Long-Term Liabilities:</b>		
Certificate of Indebtedness-1995	<u>\$ 275,000</u>	<u>\$ 285,000</u>
Total Long-Term Liabilities	<u>\$ 275,000</u>	<u>\$ 285,000</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ 324,043</b></u>	<u><b>\$ 333,258</b></u>
<b>FUND EQUITY</b>		
<b>Contributed Capital</b>		
Retained Earnings:		
Unreserved	308,442	381,158
Total Retained Earnings	<u>\$ 308,442</u>	<u>\$ 381,158</u>
<b>TOTAL FUND EQUITY</b>	<u><b>\$1,345,145</b></u>	<u><b>\$1,374,904</b></u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><b>\$1,669,188</b></u>	<u><b>\$1,708,162</b></u>

The accompanying notes are an integral part of this statement.

**VILLAGE OF GREAT CREEK**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET (LAST YEAR) AND ACTUAL**  
**GENERAL FUND TYPE**  
**YEAR ENDING JUNE 30, 1997**

	Budget	Actual
<b>Revenues:</b>		
Taxes	\$ 8,450	\$ 8,168
Licenses & Permits	5,900	5,805
Franchise Fees	8,000	9,856
Park Reservations	1,800	818
Fines and Penalties	14,800	1,808
Miscellaneous		213
Interest	200	218
<b>Total Revenues</b>	<b>\$ 37,150</b>	<b>\$ 34,776</b>
<b>Expenditures:</b>		
General Government		
Current Operations	\$ 34,342	\$ 35,450
Culture and Recreation	5,800	4,291
Public Safety - Police	22,080	11,138
Debt Service	3,382	4,324
<b>Total Expenditures</b>	<b>\$ 65,604</b>	<b>\$ 65,203</b>
<b>EXCESS (Deficiency) OF REVENUES</b>		
<b>OVER EXPENDITURES</b>	<b>\$28,454</b>	<b>\$30,427</b>
<b>OTHER FINANCING SOURCES OR USES:</b>		
Transfers	\$ 25,000	\$ 25,162
<b>Total Other Financing</b>		
<b>Sources (Uses)</b>	<b>\$ 25,000</b>	<b>\$ 25,162</b>
<b>EXCESS (Deficiency) OF REVENUES</b>		
<b>AND OTHER SOURCES OVER</b>		
<b>EXPENDITURES AND OTHER USES</b>	<b>\$ 66,758</b>	<b>\$1,224</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<b>2,350</b>
<b>FUND BALANCE, END OF YEAR</b>		<b>\$ 3,574</b>

The accompanying notes are an integral part of this statement.

**VILLAGE OF ROCKY GLEN**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - ALL ENVIRONMENTAL FUND ITEMS**  
**YEAR ENDED JUNE 30, 1972**

	General	Special Revenues	Total Operations <u>(Grat)</u>
<b>Revenues:</b>			
Taxes	\$ 8,188	\$7,384	\$ 15,572
Licenses and Permits	5,825		5,825
Franchise Fees	9,854		9,854
Park Reservations	810		810
Fines and Forfeits	1,808		1,808
Miscellaneous	233		233
Interest	<u>      7</u>	<u>      7</u>	<u>      7</u>
<b>Total Revenue</b>	<b>\$ 26,895</b>	<b>\$7,391</b>	<b>\$ 34,286</b>
<b>Expenditures:</b>			
Current:			
General Government	\$ 25,850	\$ 41	\$ 25,891
Culture and Recreation	6,291		6,291
Public Safety - Police	11,138		11,138
Bible Service	<u>4,375</u>		<u>4,375</u>
<b>Total Expenditures</b>	<b>\$ 47,654</b>	<b>\$ 41</b>	<b>\$ 47,695</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$21,241</b>	<b>\$7,350</b>	<b>\$28,591</b>
<b>OTHER FINANCING SOURCES OR CHGES:</b>			
Transfers	\$ 21,167	\$ -0-	\$ 21,167
<b>Total Other Financing Sources or (Uses)</b>	<b>\$ 21,167</b>	<b>\$ -0-</b>	<b>\$ 21,167</b>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)</b>	<b>\$1,074</b>	<b>\$7,350</b>	<b>\$ 8,424</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>— 5,288</b>	<b>\$ -0-</b>	<b>\$ 5,288</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 6,362</b>	<b>\$7,350</b>	<b>\$ 13,712</b>

The accompanying notes are an integral part of this statement.

**STATE OF MARYLAND  
COMBINED BALANCE SHEET, FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 2002**

	Governmental Fund Type		Proprietary Fund Type	Account Group	
	General Fund	Special Revenue Fund	Debt Service Fund	General Fund Account	Long-Term Debt Account Group
<b>ASSETS</b>					
Cash	\$18,000	\$0,000	\$ 0,000	\$	\$
Accounts Receivable			25,000		
Prepaid Insurance	70		1,220		
Taxes Due Receivable		1,140			
Accrued Interest			500		
Fund Assets Consist of accumulated depreciation amount to be provided for retirement of Long-Term Debt			1,540,000	210,200	
<b>TOTAL ASSETS</b>	<b>\$18,070</b>	<b>\$1,140</b>	<b>\$1,605,620</b>	<b>\$210,200</b>	<b>\$</b>
<b>LIABILITIES</b>					
Accounts Payable	\$	\$	\$ 500	\$	\$
Accrued Expenses	100		9,000		
Employee Retirement	500		1,100		
Certificates of Indebtedness-2000			300,000		
General Long-Term Debt					
<b>TOTAL LIABILITIES</b>	<b>\$1,100</b>	<b>\$</b>	<b>\$1,309,600</b>	<b>\$</b>	<b>\$</b>
<b>FUND EQUITY</b>					
Contributed Capital	\$	\$	\$ 800,500	\$	\$
Investment in General Fund Assets				210,200	
Residual Earnings Unreserved			300,440		
Fund Reserves Unreserved	1,370	1,370			
<b>Total Residual Earnings Fund Balance</b>	<b>\$1,370</b>	<b>\$1,370</b>	<b>\$1,100,940</b>	<b>\$</b>	<b>\$</b>
<b>TOTAL FUND EQUITY</b>	<b>\$1,370</b>	<b>\$1,370</b>	<b>\$1,900,560</b>	<b>\$210,200</b>	<b>\$</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$18,070</b>	<b>\$1,370</b>	<b>\$1,605,620</b>	<b>\$210,200</b>	<b>\$</b>

The accompanying notes are an integral part of this statement.

**GENERAL PURPOSE FINANCIAL STATEMENTS**  
**Combined Statements-Overview**



all material respects, the financial position of the Village of Turkey Creek, Louisiana, as of June 30, 1997, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated September 29, 1997 on my consideration of the Village of Turkey Creek's internal control structure and a report dated September 29, 1997 on its compliance with laws and regulations.



Michael M. Johnson  
Certified Public Accountant

Bunice, Louisiana  
September 29, 1997

# MICHAEL W. JOHNSON

*Certified Public Accountant*

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Village Aldermen  
Village of Turkey Creek  
State of Louisiana

I have audited the accompanying general purpose financial statements of the Village of Turkey Creek, Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Turkey Creek, Louisiana's, management. My responsibility is to express an opinion on these financial statements based on my audit.

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

The Village did not adopt a budget for the special revenue fund type for the year ended June 30, 1997, as required by state law, and, as a result, is not presenting this fund type in the statement of revenues, expenditures, and changes in fund balance - budget and actual as is required by generally accepted accounting principles.

In my opinion, except for the omission of the special revenue fund type in the statement of revenues, expenditures, and changes in fund balance - budget and actual that results in an incomplete presentation as explained in the preceding paragraph, the general purpose financial statements referred to above present fairly, in

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**FINANCIAL REPORT  
OF THE  
VILLAGE OF TURKEY CREEK, LOUISIANA  
FOR THE YEAR ENDED  
JUNE 30, 1997**

**DASHBOARD OF COURT**

LSA-RS 24:516 provides that this report shall be available for public inspection for a period of not less than one year from the date of receipt.  
Legislative Auditor

After preparation of this report, the report is a public document. It is subject to public inspection and copying. It is not to be used for any purpose other than that for which it was prepared. It is not to be used for any purpose other than that for which it was prepared. It is not to be used for any purpose other than that for which it was prepared.

JAN 21 1998

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**Management's Response:** We concur in the finding and have established procedures to monitor actual revenues and other services against the approved budgets and to amend the budgets when appropriate.

**Finding:** Delinquent utility bills (water and sewerage) were allowed for some residents of the Village without cutting off the utilities.

**Cause:** Lack of implementation of the Village's policies.

**Recommendation:** Policies for all delinquent utility bills should be enforced for all residents. Delinquent residents should have all utilities cut-off on the designated cut-off date and should be required to pay the balance in full and the reconnect fee before reconnecting the utilities.

**Management's Response:** We are working toward being able to cut off utilities for residents who do not pay.

I considered these instances of noncompliance in forming my opinion on whether Village of Turkey Creek, Louisiana's 1997 general purpose financial statements are presented, fairly, in all material respects, in conformity, with generally accepted accounting principles, and this report does not affect my Report dated September 29, 1997, on these general purpose financial statements.

This report is intended for the information of the Legislative Auditor, the management, and the Board of Aldermen. However, this report is a matter of public record, and its distribution is not limited.

*Michael W. Johnson*

Michael W. Johnson  
Certified Public Accountant

Monroe, Louisiana  
September 29, 1997

**Recommendation:** The Village should make required deposits into the sinking fund.

**Management's Response:** We concur in the finding and have begun to make the required monthly deposits.

**Finding:** The Village did not adopt the budget for the General and Special Revenue Funds prior to the beginning of the fiscal year as required by budget law.

**Cause:** Management overlooked this requirement.

**Recommendation:** The Village should follow the budget law and adopt the budgets prior to the beginning of the fiscal year for which the budgets are being adopted.

**Management's Response:** We concur in the finding and will, in the future, adopt the budgets prior to the beginning of the fiscal year for which the budgets are being adopted.

**Finding:** The Village failed to adopt a budget for the Special Revenue Fund as required by budget law.

**Cause:** Management overlooked this requirement.

**Recommendation:** The Village should follow the budget law and adopt a budget for the Special Revenue Fund each fiscal year.

**Management's Response:** We concur in the finding and have adopted a budget for the Special Revenue Fund for the fiscal year ending June 30, 1998.

**Finding:** Total revenue and other sources of the General Fund failed to meet total budgeted revenues and other sources by more than 14 and management did not amend the budget accordingly.

**Cause:** Management overlooked this requirement.

**Recommendation:** Management should establish procedures to monitor actual revenues and other sources against the approved budgets and to amend the budgets when appropriate.