

This report is intended for the information of management, Board of Aldermen, and Legislative Auditor and should not be used for any other purpose.

Wanda D. Millison

Certified Public Accountant
December 28, 1997

I noted a certain matter involving the internal control structure and its operation that I consider to be a reportable condition 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 Village of Salina's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Findings:	The segregation of duties is inadequate to provide effective internal control.
Cause:	The condition is due to economic and space limitations.
Recommendation:	No action is recommended.
Management's response:	We concur with the finding.

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 accounts 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 reportable condition that I believe to be a material weakness as defined above:

Findings:	The segregation of duties is inadequate to provide effective internal control.
Cause:	The condition is due to economic and space limitations.
Recommendation:	No action is recommended.
Management's response:	We concur in the finding.

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

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

The Honorable Peggy Choate, Mayor
and Members of the Board of Aldermen
Village of Saline, Louisiana

I have audited the financial statements of Village of Saline, Louisiana as of and for the year ended June 30, 2007, and have issued my report thereon dated December 28, 2007. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Village of Saline's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Village of Saline's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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.

VILLAGE OF PALM BEACH, LOUISIANA

Schedule of Compensation Paid -
 Mayor and Aldermen
For the Year Ended June 30, 1997

Honorable Peggy Choate, Mayor	\$ 2,700
Brenda Matthews	140
Stacey Neep	150
Freddie Hood	60
Ronald Sullivan	110
Anthony Daniels	<u>128</u>
Total	\$ <u>3,228</u>

VILLAGE OF SALINE, LOUISIANA

Notes to Financial Statements
June 30, 1993

3. GENERAL FIXED ASSETS:

General fixed assets consisted of the following at June 30, 1993:

	Balance <u>7/1/93</u>	Additions (Deletions)	Balance <u>6/30/93</u>
Buildings	\$ 8,585	\$ -	\$ 8,585
Improvements	7,487	1,339	8,826
Equipment	11,889	(1,440)	10,449
Land	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Totals	<u>\$ 32,461</u>	<u>\$ 139</u>	<u>\$ 32,600</u>

4. DEFICIT BALANCES:

The Proprietary Fund Type has a deficit in retained earnings of \$134,054. The Village, through construction of a sewer system anticipates eliminating this deficit over a period of time.

VILLAGE OF SALOME, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1987

5. LONG-TERM DEBT:

Bonds payable at June 30, 1987, are comprised of the following issues:

Sewer Revenue Bonds:

Serial bonds issued December 14, 1985, payable over a twenty year period with the payment, which falls due on the first and second anniversary dates of the bond (December 14, 1986, and December 14, 1987), consisting of interest only commencing on January 14, 1987, and on the 14th day of each month thereafter, to and through December 14, 2004, the payments shall consist of fully amortized monthly installments of \$488, interest at 8.50%.

\$ 61,811

The annual requirements to amortize all debt outstanding as of June 30, 1987, including interest payments of \$28,454 are as follows:

<u>Year Ending June 30</u>	<u>Total</u>
1988	\$ 5,285
1989	5,281
1990	5,281
1991	5,281
1992	5,281
2000-2004	<u>45,576</u>
Total	\$ 71,285

6. ACCOUNTS RECEIVABLE - PROPRIETARY FUND TYPE:

Accounts receivable at June 30, 1987, consisted of the following:

Accounts receivable	\$ 3,158
Less: allowance for doubtful accounts	<u>1,187</u>
Total	\$ 1,971

(Continued)

VILLAGE OF SABINE, LOUISIANA

**Notes to Financial Statements
June 30, 1997**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Depreciation is provided in the Enterprise Fund in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight line basis. The estimated service lives by asset type are as follows:

Water system	10-15 years
Equipment	5 years

Total Columns on Combined Statements - Overview. Total columns on the combined statements - overview 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.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS:

At June 30, 1997, the carrying amount of the Village's cash deposits \$33,843 and the bank balance was \$34,768. This difference is due to the outstanding checks at June 30, 1997. All deposits were fully collateralized by FDIC insurance.

3. AD VALOREM TAXES:

Ad valorem taxes attach as an enforceable lien on property as of January 1, each year. Taxes are levied by the Village and billed to the taxpayers in September, and 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 Sabine Parish. For the year ended June 30, 1997, taxes of \$ 73 million were levied on property with assessed valuations totaling \$ 496,379. Total taxes levied for the year ended June 30, 1997, were \$4,337.

4. FIXED ASSETS:

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

Water system	\$ 133,768
Sewer System	618,998
Equipment	<u>15,558</u>
Total	768,318
Less: accumulated depreciation	<u>132,613</u>
Net property, plant, and equipment	<u>\$ 635,705</u>

(Continued)

VILLAGE OF PALMS, LOUISIANA

Notes to Financial Statements
June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Cash and Cash Equivalents. The Village considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Bad Debts. Uncollectible amounts due from utility customers are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Property, Plant, and Equipment. The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included in 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.

Property, plant, and equipment used in governmental fund type organizations (general fixed assets) are accounted for in the general fixed assets account group, and are recorded as expenditures in the governmental fund types when purchased. Public domain "infrastructure" general fixed assets consisting of certain improvements other than buildings, 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 general fixed assets.

All property, plant, and equipment are stated at historical cost, or estimated cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

The account group is not a fund. It is concerned only with the measurement of financial position and is not involved with the measurement of results of operations.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

(Continued)

VILLAGE OF BAYNE, LOUISIANA

Notes to Financial Statements
June 30, 1993

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Basis of Accounting. The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, 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. The government considers property taxes available if they are collected within sixty days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Those revenues susceptible to accrual are property taxes, franchise taxes, interest revenue and charges for services. Fines, permits, and licenses revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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

Prior to July 1, the Mayor submits to the Board of Aldermen a proposed budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted at Town Hall to obtain taxpayer comments.

The budget is legally enacted through passage of a resolution.

Budgetary amendments involving the transfer of funds from one department, program or function to another or amendments involving increases in expenditures require the approval of the Board of Aldermen.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The budget is employed as a management control device during the year for the General Fund.

Budgeted amounts presented in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

All budget appropriations lapse at year end.

(Continued)

VILLAGE OF SALINE, LOUISIANA

Notes to Financial Statements
June 30, 1992

The Village of Saline, Louisiana, was incorporated on October 3, 1945, under the provisions of the Levee Act. The Village operates under a Mayor-Board of Aldermen form of government.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Village of Saline, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units.

The following is a summary of the more significant accounting policies:

Reporting Entity. These financial statements include all funds and account groups over which the Village exercises control, authority, management, influence or accountability. Control by or influence over by the Town was determined on the basis of budget, adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Fund Accounting. The accounts of the Village of Saline, Louisiana, are organized on the basis of 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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 are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including acquisition or construction of general fixed-assets (capital project funds). The general fund is used to account for all activities of the general government not accounted for in some other fund. 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 assess financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

(Continued)

VILLAGE OF WAJALE, ILLINOIS

Exhibit 5

Statement of Cash Flows - Proprietary Fund Type
Year Ended June 30, 1987

Cash flows from operating activities:	
Cash received from customers	\$ 37,844
Cash payments to suppliers and employees	(38,888)
Other operating income	<u> </u>
Net cash used by operating activities	<u>(1,044)</u>
Cash flows from non-capital financing activities:	
Operating transfers from other funds	<u>18,880</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds	(1,188)
Interest paid on revenue bonds	(4,377)
Property and equipment additions	<u>(28,083)</u>
Net cash provided by capital and related financing activities	<u>(23,548)</u>
Cash flows from investing activities:	
Interest received on investments	<u>1,284</u>
Net cash provided by investing activities	<u>1,284</u>
Net decrease in cash	(24,452)
Cash, June 30, 1986 (including \$3,437 in restricted accounts)	<u>52,798</u>
Cash, June 30, 1987 (including \$- in restricted accounts)	<u>\$ 28,346</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$(39,867)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	19,157
Changes in assets and liabilities:	
Increase in accounts receivable	(193)
Increase in accounts payable	<u>1,359</u>
Net cash used by operating activities	<u>\$(21,844)</u>

See accompanying notes to financial statements.

VILLAGE OF PALM BEACH, FLORIDA

Statement of Revenues, Expenses, and Changes in
Retained Earnings - Proprietary Fund Type
Year Ended June 30, 1992

Operating revenues:	
charges for services	\$ 28,388
Miscellaneous revenues	-----
Total operating revenues	28,388
Operating expenses:	
cost of sales and services	14,828
Administrative	5,870
Depreciation	-----
Total operating expenses	20,700
operating loss	\$(7,688)
Non-operating revenues:	
Interest income	1,208
Interest expense	-----
Total non-operating revenues (expenses)	\$(2,556)
loss before other financing sources	\$(10,244)
Other financing sources:	
Transfers from other funds	-----
net loss	\$(10,244)
Retained earnings (deficit) - beginning of year	1,126,873
Retained earnings (deficit) - end of year	<u>\$ 1,116,629</u>

See accompanying notes to financial statements.

VILLAGE OF SLALINE, LOUISIANA

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (CRAP Basis) and Actual -
General Fund
Year Ended June 30, 1991

	General Fund		Variance- Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 8,431	\$ 8,402	\$(29)
Licenses and permits	3,150	4,887	1,737
Intergovernmental	1,372	2,803	1,431
Fines and forfeits	3,400	1,403	(1,997)
Miscellaneous	20	44	24
Total revenues	17,373	18,359	986
Expenditures:			
Current:			
General government	13,381	18,371	4,990
Public safety	4,208	3,203	(1,005)
Total expenditures	17,589	21,574	3,985
Excess (deficiency) of revenues over expenditures before other sources (uses)	984	(3,215)	(4,199)
Other financing sources (uses):			
Transfers (to) from other funds	7	15,000	14,993
Excess (deficiency) of revenues over expenditures and other sources	991	(1,215)	(2,206)
Fund balance at beginning of year	21,793	21,793	0
Fund balance at end of year	\$ 22,784	\$ 20,578	\$(2,206)

See accompanying notes to financial statements.

VILLAGE OF SCOTTS, LOUISIANA

Statement of Revenues, Expenditures, and Changes
in Fund Balance - All Governmental Fund Types
Year Ended June 30, 1997

	General Fund
Revenues:	
Taxes	\$ 6,600
Licenses and permits	4,087
Intergovernmental	2,000
Fines and penalties	1,400
Miscellaneous	44
Total revenues	<u>16,131</u>
Expenditures:	
Current:	
General government	16,271
Public safety	3,280
Total expenditures	<u>19,551</u>
Excess of expenditures over revenues before other sources (uses)	(3,420)
Other financing sources (uses):	
Transfers (to) from other funds	1 15,000
Excess (deficiency) of revenues over expenditures and other sources	(11,992)
Fund balance at beginning of year	<u>27,283</u>
Fund balance at end of year	<u>1 15,291</u>

VILLAGE OF SAUNDERSON

combined Balance Sheet - All Fund Types and Account Group
 June 30, 1982

	Governmental Fund Type	Proprietary Fund Type	Account Groups General Fixed Assets	Totals (Memorandum Only)
Liabilities				
Accounts payable	\$ 991	\$ 2,228	-	\$ 3,219
Due to other funds	-	61	-	61
Revenue bonds payable	-	63,811	-	63,811
Total liabilities	\$ 991	\$ 66,100	-	\$ 67,091
Fund Equity				
Contributed capital	-	711,889	-	711,889
Investments in general fixed assets	-	-	33,410	33,410
Accrued earnings: Unreserved (deficit)	-	(134,054)	-	(134,054)
Fund balances Undesignated (deficit)	3,822	-	-	3,822
Total retained earnings (deficit)/fund balance	3,822	(134,054)	-	(130,232)
Total fund equity	3,822	577,835	33,410	615,067
Total liabilities and fund equity	\$ 3,822	\$ 611,935	\$ 33,410	\$ 649,167

See accompanying notes to financial statements.

STATE OF MICHIGAN - CONTINUED

Combined Balance Sheet - All Fund Types and Account Group
June 30, 1962

Assets	Governmental Fund Type		Proprietary Fund Type	Account Group		Totals (Governmental Only)
	General	Capital Projects	Enterprise	Fixed Assets	Plant Assets	
Cash	\$ 5,487	-	\$ 28,344	-	-	\$ 33,831
Receivables, net of allowance for uncollectibles	-	-	-	-	-	-
Accounts Due from other Governments	368	-	2,961	-	-	3,329
Due from other funds	91	-	-	-	-	91
Buildings	-	-	-	8,833	-	8,833
Improvements other than buildings	-	-	-	-	8,288	8,288
Land	-	-	-	-	18,439	18,439
Equipment	-	-	-	-	4,888	4,888
Debt (net of accumulated depreciation)	-	-	420,701	-	-	420,701
Other assets	-	-	3,153	-	-	3,153
Totals assets	\$ 6,046	-	\$ 443,464	\$ 33,618	-	\$ 483,128

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

The Honorable Peggy Choate, Mayor
and Members of the Board of Aldermen
Village of Saline, Louisiana

I have audited the accompanying general purpose financial statements of Village of Saline, Louisiana, as of June 30, 1997, and for the year then ended. These general purpose financial statements are the responsibility of Village of Saline, Louisiana 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, Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Village of Saline, Louisiana, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated December 28, 1997, on my consideration of Village of Saline's internal control structure and a report dated December 28, 1997, on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Village of Saline, Louisiana. This information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



Certified Public Accountant
December 28, 1997

VILLAGE OF SALINE, LOUISIANA

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VILLAGE OF SALINE, LOUISIANA

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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.

2007 1 13
Release Date: _____

FINANCIAL STATEMENTS

June 30, 1997