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Town of Vienna  
General Purpose Financial Statements  
For the Year Ended April 30, 2004

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

Release Date 8.4.04

Town of Vienna, Louisiana  
General Purpose Financial Statements  
For the Year Ended April 30, 2004

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TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

July 29, 2004

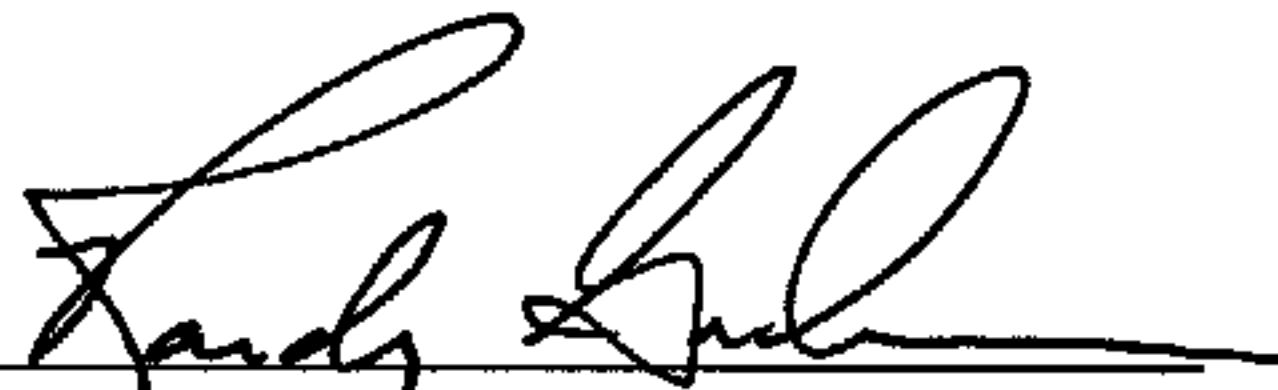
Office of Legislative Auditor  
Attention: Ms. Suzanne Elliott  
1600 North Third  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Ms. Elliott:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Town of Vienna, Louisiana, as of and for the fiscal year ended April 30, 2004. This report includes all funds under the control and oversight of the municipality.

The accompanying general purpose financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

Sincerely,

  
\_\_\_\_\_  
Mayor Randy Graham

Enclosure

Town of Vienna  
Vienna, Louisiana

ANNUAL SWORN FINANCIAL STATEMENTS AND  
CERTIFICATION OF REVENUES \$50,000 OR LESS

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues \$50,000 or less, if applicable, is required by Louisiana Revised Statute 24:513(I)(1)(c)(I).

AFFIDAVIT

Personally came and appeared before the undersigned authority, Randy Graham  
who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Town of Vienna as of April 30, 2004, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Randy Graham, who, duly sworn, deposes and says that the Town of Vienna received \$50,000 or less in revenues and other sources for the fiscal year ending April 30, 2004, and accordingly, is not required to have an audit for the previously mentioned fiscal year end.

Randy Graham  
Signature

Sworn to and subscribed before me this 29th day of July, 2004.

Vonda B. Madden 62738  
NOTARY PUBLIC

Officer Randy Graham  
Address P.O. Box 980  
Ruston, LA 71273  
Telephone No. 318-355-2913

Town of Vienna  
 Combined Balance Sheets - All Fund Types and Account Groups  
 As of April 30, 2004

	Governmental Fund Type - General Fund	General Fixed Asset Account Group	(Memo) Totals
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Cash and equivalents	\$112,537		\$112,537
Accounts receivable - intergovernmental	8,739		8,739
Property and equipment		\$40,061	40,061
<b>Total Assets</b>	<u>\$121,276</u>	<u>\$40,061</u>	<u>\$161,337</u>
<b>Liabilities and Fund Equity</b>			
Liabilities - accounts payable	\$1,059		\$1,059
Fund Equity:			
Investment in general fixed assets		\$40,061	40,061
Fund balance - unreserved - undesignated	120,217		120,217
Total fund equity	<u>120,217</u>	<u>40,061</u>	<u>160,278</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$121,276</u>	<u>\$40,061</u>	<u>\$161,337</u>

The accompanying notes are an integral part of this statement.

Town of Vienna  
 Combined Statement of Revenue, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 GAAP Basis - General Fund  
 For the year ended April 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Franchise fees	\$9,611	\$8,849	(762)
Interest income	2,924	2,759	(165)
Other income	<u>\$2,208</u>	<u>1,175</u>	<u>(1,033)</u>
Total Revenues	14,743	12,783	(1,960)
Expenditures			
General government:			
Accounting services - audit	3,930	3,393	537
Office expense	96	330	(234)
Repairs and maintenance	820	960	(140)
Insurance	1,181	1,278	(97)
Utilities	0	829	(829)
Highways and streets - utilities	<u>2,595</u>	<u>2,009</u>	<u>586</u>
Total Expenditures	<u>8,622</u>	<u>8,799</u>	<u>(177)</u>
Excess (Deficiency) of Revenues Over Expenditures	6,121	3,984	(2,137)
Fund Balance, Beginning	<u>116,233</u>	<u>116,233</u>	<u>0</u>
Fund Balance, Ending	<u><u>\$122,354</u></u>	<u><u>\$120,217</u></u>	<u><u>(\$2,137)</u></u>

The accompanying notes are an integral part of this statement.

Town of Vienna, Louisiana  
Notes to Financial Statements  
For the Year Ended April 30, 2004

## INTRODUCTION

The Town of Vienna was created under the provisions of the Lawrason Act and operates under a Mayor-Board of Alderman form of government. The Town provides general administrative services to its residents.

The accounting and reporting practices of the Town of Vienna conform to accounting principles generally accepted in the United States. The Governmental Accounting Standards Board prescribes general accepted accounting principles for governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units. The Town's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the "Louisiana Municipal Audit and Accounting Guide".

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Town of Vienna is considered a *separate financial reporting entity*. The financial reporting entity consists of (a) the primary government (municipality), (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 Town of Vienna 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.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.

Town of Vienna, Louisiana  
Notes to the Financial Statements (Continued)

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 Town of Vienna (the primary government) only. *There are no component units included in the accompanying financial statements.*

Considered in the determination of component units of the reporting entity were the Lincoln Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for Lincoln Parish. It was determined that these governmental entities are not component units of the Town of Vienna reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Vienna.

## B. FUND ACCOUNTING

The municipality 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 municipality 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 municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. General Fund - The general operating fund of the village and accounts for all financial resources, except those required to be accounted for in other funds.

## C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the



Town of Vienna, Louisiana  
Notes to the Financial Statements (Continued)

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. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

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

**Expenditures**

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

**D. BUDGETS**

The primary government municipality uses the following budget practices:

The Town adopted a budget for the fiscal year ended April 30, 2004 for the General fund. The village follows the following procedures in establishing the budgetary data reflected in the financial statements. During the April meeting, the mayor submitted to the board of aldermen a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures but not the means of financing them. During the April meeting, the budget was legally enacted through passage of an ordinance. The public is invited to attend all meetings. The mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures or expenses of any fund must be approved by the board of aldermen. Appropriations lapse at the end of the year. There was one amendment to the original budget. ????

**E. CASH AND EQUIVALENTS**

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

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

## F. FIXED ASSETS

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

## G. 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.

## 2. CASH AND CASH EQUIVALENTS

At April 30, 2004, the town has cash and cash equivalents (book balances) totaling \$112,537 as follows:

Cash on hand	\$4,123
Demand deposits	11,059
Time deposits	<u>97,355</u>
Total	<u>\$112,537</u>

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

At April 30, 2004, the town has \$111,196 in deposits (collected bank balances). These deposits are secured from risk by \$104,590 of federal deposit insurance and \$0 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

Town of Vienna, Louisiana  
Notes to the Financial Statements (Continued)

3. FIXED ASSETS

A summary of the changes in fixed assets is shown below:

	<u>Balance</u> <u>4/30/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>4/30/04</u>
Land	\$8,000			\$8,000
Buildings	26,551			26,551
Furniture and equipment	5,510			5,510
Total	<u>\$40,061</u>	<u>\$0</u>	<u>\$0</u>	<u>\$40,061</u>

4. COMPENSATION PAID TO COUNCIL MEMBERS

The town council members did not receive any compensation for the year ended April 30, 2004.