

VILLAGE OF DELTA
DELTA, LOUISIANA
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

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 11-16-05

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DELTA, LOUISIANA
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Accountant's Review Report

The Honorable Robert F. Ott, Mayor and Members of
of the Board of Aldermen/Women
Village of Delta
Delta, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, the business type activities, the major fund, and the aggregate remaining fund information of The Village of Delta, as of and for the year ended June 30, 2005, which collectively comprise the Village's basic financial statements 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. All information included in these financial statements is the representation of the management of The Village of Delta.

A review consists principally of inquiries of Entity personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information on pages 5 through 6 and 26 through 27, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the term of my engagement, I have also issued a report on agreed-upon procedures dated August 15, 2005.

Tallulah, Louisiana
August 15, 2005



REQUIRED SUPPLEMENTAL INFORMATION

PART I

VILLAGE OF DELTA

LOUISIANA

ROBERT F. OTT
MAYOR

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DELTA, LOUISIANA
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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of The Village of Delta, Louisiana's financial performance provides an overview of the Village's financial activities for the year ended June 30, 2005. Please read it in conjunction with the Village's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

The Village's net assets increased \$25,256, as a result of this year's operations. This increase in net assets is reflected in a decrease of approximately \$55,000 in bonds payable and a decrease of approximately \$28,000 in restricted cash.

During the year, the Village had total expenses of \$153,892 in governmental funds and \$67,090 in the Water and Sewer Fund.

The Village only had one long term debt. This was a Water Revenue Bond that was paid off in the current year.

Total revenue for the Village for the current year was \$253,912. This was down from \$262,635 in the previous year. No single category made up a significant portion of this decrease.

Total expenditures were \$220,982, or \$11,113 less than the prior year. The decrease consisted of a decrease of \$14,161 in the proprietary fund and an increase of \$3,048 in governmental funds.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and The Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 10. For governmental activities, these statements tell you how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Reporting the Village as a Whole

One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and The Statement of Activities report about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Page Two

These two statements report the Village's net assets and changes in them. You can think of the Village's net assets - the difference between assets and liabilities - as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Village's property tax base and the condition of the Village's roads, to assess the overall health of the Village.

Reporting the Village's Most Significant Funds

The fund financial statements begin on page 10 and provide detailed information about the most significant funds - not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Village Council establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Financial Overview

The Village had an increase in net assets of \$25,256 for the year ended June 30, 2005. This is 10% of total revenues. This has been accomplished while maintaining the roads and sewer facilities very well. Management always tries to provide the best possible services for the residents of the Village of Delta in the most economic way possible.

CONTACTING THE VILLAGE'S MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact the Village's Office at P.O. Box 29, Delta, Louisiana 71233.

BASIC FINANCIAL STATEMENTS

VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2005

	<u>Government</u>	<u>Business Type</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 116,966	\$ 99	\$ 117,065
Accounts receivable	4,510	8,900	13,410
Restricted assets-cash	-	11,000	11,000
Capital assets	305,193	141,156	446,349
Total Assets	<u>426,669</u>	<u>161,155</u>	<u>587,824</u>
LIABILITIES			
Accounts payable	1,910	2,870	4,780
Payroll taxes payable	1,544	-	1,544
Customer deposits	-	11,000	11,000
Total Liabilities	<u>3,454</u>	<u>13,870</u>	<u>17,324</u>
NET ASSETS			
Invested in capital assets, net of related debt	305,193	141,156	446,349
Unrestricted	118,022	6,129	124,151
Total Net Assets	<u>\$ 423,215</u>	<u>\$ 147,285</u>	<u>\$ 570,500</u>

See Accountant's Review Report and accompanying notes to the financial statements.

VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Function/Program	Program-Revenue		Net Revenue (Expenses)		Total
	Expenses	Charges for Services	Government Activities	Business-Type Activities	
Governmental Activities:					
General government	\$ 72,701	\$ -	\$ (72,701)	\$ -	\$ (72,701)
Public safety	85,224	127,977	42,753	-	42,753
Public works	3,031	-	(3,031)	-	(3,031)
Total Government Activities	160,956	127,977	(32,979)	-	(32,979)
Business Type Activities					
Water & sewer	67,700	58,960	-	(8,740)	(8,740)
Total Primary Government	<u>\$ 228,656</u>	<u>\$ 186,937</u>	<u>(32,979)</u>	<u>(8,740)</u>	<u>(41,719)</u>
General Revenues					
Ad valorem taxes			11,155	-	11,155
Licenses and permits			10,828	-	10,828
Sales tax			3,642	-	3,642
Franchise tax			5,347	-	5,347
Beer tax			519	-	519
Video poker revenue			5,962	-	5,962
Interest income			2,547	179	2,726
Transfer of funds			(32,545)	32,545	-
MCTA			9,600	-	9,600
Other revenue			17,196	-	17,196
Total General Revenues			<u>34,251</u>	<u>32,724</u>	<u>66,975</u>
Changes in Net Assets			1,272	23,984	25,256
Net Assets - Beginning (Restated)			<u>421,943</u>	<u>123,301</u>	<u>545,244</u>
Net Assots - Ending			<u>\$ 423,215</u>	<u>\$ 147,285</u>	<u>\$ 570,500</u>

See Accountant's Review Report and accompanying notes to the financial statements.

VILLAGE OF DELTA
 DELTA, LOUISIANA
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 JUNE 30, 2005

	<u>Major Funds</u>	<u>Other Governmental</u>	<u>Total</u>
	<u>General</u>	<u>Funds</u>	
ASSETS			
Cash	\$ 71,431	\$ 45,535	\$ 116,966
Receivables	4,510	-	4,510
Total Assets	<u>75,941</u>	<u>45,535</u>	<u>121,476</u>
LIABILITIES			
Accounts payable	1,910	-	1,910
Accrued payroll taxes	1,544	-	1,544
Total Liabilities	<u>3,454</u>	<u>-</u>	<u>3,454</u>
EQUITY AND OTHER CREDITS			
Fund balance: undesignated	72,487	45,535	118,022
Total Equity & Other Credits	<u>72,487</u>	<u>45,535</u>	<u>118,022</u>
Total Liabilities, Equity, and Other Credits	<u>\$ 75,941</u>	<u>\$ 45,535</u>	<u>\$ 121,476</u>

See Accountant's Review Report and accompanying notes to the financial statements.

VILLAGE OF DELTA
DELTA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2005

Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Fund Balances, Total Governmental Funds (Exhibit C)	\$ 118,022
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>305,193</u>
Net Assets of Governmental Activities (Exhibit A)	<u><u>\$ 423,215</u></u>

See Accountant's Review Report and accompanying notes to the financial statements.

VILLAGE OF DELTA
DELTA, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

	Major Fund	Other Governmental Funds	Total
Revenues			
Ad valorem taxes	\$ 5,647	\$ 5,508	\$ 11,155
Fines & court fees	119,433	-	119,433
Licenses & permits	10,828	-	10,828
Crime lab	8,544	-	8,544
Sales tax	3,642	-	3,642
Franchise tax	5,347	-	5,347
Beer tax	519	-	519
Video poker	5,962	-	5,962
Interest	1,446	1,101	2,547
MCTA	9,600	-	9,600
Other	6,081	11,115	17,196
Total Revenues	<u>177,049</u>	<u>17,724</u>	<u>194,773</u>
Expenditures			
Current:			
General governmental	68,842	152	68,994
Public Safety	56,189	8,876	65,065
Public Works	-	3,031	3,031
Capital outlay	13,867	2,935	16,802
Total Expenditures	<u>138,898</u>	<u>14,994</u>	<u>153,892</u>
Excess of Revenues Over Expenditures	<u>38,151</u>	<u>2,730</u>	<u>40,881</u>
Other Financing Sources (Uses)			
Transfer in	-	-	-
Transfer out	(32,545)	-	(32,545)
Total Other Financing Sources (Uses)	<u>(32,545)</u>	<u>-</u>	<u>(32,545)</u>
Excess of Revenues over Expenditures and Other Financing Uses	5,606	2,730	8,336
Fund balance - Beginning	<u>66,881</u>	<u>42,805</u>	<u>109,686</u>
Fund balance - Ending	<u>\$ 72,487</u>	<u>\$ 45,535</u>	<u>\$ 118,022</u>

See Accountant's Review Report and accompanying notes to the financial statements.

VILLAGE OF DELTA
 DELTA, LOUISIANA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2005

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds (Exhibit E)	\$	8,336
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.		(7,064)
Change in Net Assets of Governmental Activities (Exhibit B)	\$	1,272

See Accountant's Review Report and accompanying notes to the financial statements.

VILLAGE OF DELTA
 DELTA, LOUISIANA
 STATEMENT OF NET ASSETS - ENTERPRISE FUND
 JUNE 30, 2005

	<u>Water and Sewer Fund</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 99
Accounts receivable	8,900
Total current assets	<u>8,999</u>
Non-current Assets	
Restricted cash and cash equivalents	11,000
Capital assets:	
Depreciable:	
Property, plant, and equipment	543,317
Accumulated depreciation	<u>405,161</u>
Net depreciable property, plant, and equipment	138,156
Land	<u>3,000</u>
Total non-current assets	<u>152,156</u>
Total Assets	<u>161,155</u>
LIABILITIES AND NET ASSETS	
Current Liabilities:	
Accounts payable	2,870
Liabilities payable from restricted assets:	
Customer deposits	<u>11,000</u>
Total Liabilities	<u>13,870</u>
Net Assets	
Invested in capital assets, net of related debt	141,156
Unrestricted	<u>6,129</u>
Total Net assets	<u>\$ 147,285</u>

See Accountant's Review Report and accompanying notes to the financial statements.

VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2005

Operating Revenues:	
Water and sewer revenue	<u>\$ 58,960</u>
Operating Expenses:	
Salaries & benefits	20,340
Repairs and maintenance	7,636
Materials and supplies	2,237
Utilities	7,177
Office	936
Sales tax	1,255
Chemicals	9,232
Insurance	3,214
Depreciation	12,726
Discharge permit	495
Auto expense	1,350
Training expense	162
Dues	330
Total Operating Expenses	<u>67,090</u>
Net Operating Profit (Loss)	<u>(8,130)</u>
Non-operating Revenues (Expenses)	
Interest income	179
Interest expense	(610)
Transfers in	32,545
Total Non-operating Revenue	<u>32,114</u>
Net Income	<u>23,984</u>
Net Assets - Beginning of year	125,269
Adjustment for correction of errors (Note 6)	<u>(1,968)</u>
Net Assets -Beginning of year (as restated)	<u>123,301</u>
Net Assets - Ending	<u><u>\$ 147,285</u></u>

See Accountant's Review Report and accompanying notes to financial statements.

VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF CASH FLOWS - ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2005

Cash Flows From Operating Activities	
Cash received from customers	\$ 55,832
Cash payments for operating expenses	<u>(53,462)</u>
Net cash provided by operating activities	<u>2,370</u>
Cash Flows From Capital and Financing Activities	
Transfers from General Fund	32,545
Interest payments	(1,689)
Principle paid on revenue bonds	(54,898)
Purchase of equipment	<u>(2,252)</u>
Net cash provided (used) by capital and financing activities	<u>(26,294)</u>
Cash Flows From Investing Activities	
Interest income	<u>179</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(23,745)
Cash and Cash Equivalents - Beginning	<u>34,844</u>
Cash and Cash Equivalents - Ending	<u>\$ 11,099</u>

See Accountant's Review Report and accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

INTRODUCTION

The Village of Delta, Louisiana (hereafter referred to as the Village) was created under the provisions of the Lawrason Act, Louisiana Revised Statute 33:321, August 28, 1973. Therefore, it operates under a Mayor-Board of Alderman form of government.

The Mayor and three Alderpersons are elected at large every four years by the citizens of the Village. The Mayor and Alderpersons are compensated for their services.

The purpose of the municipality is to promote the general welfare, safety, health, peace, good order, comfort, convenience, and morals of its inhabitants.

The Village is situated in the northwest part of Madison Parish with a population of 350 persons. Within the boundaries are approximately 5 miles of roads maintained by the Village. It is currently servicing 131 water and sewer customers and employs 6 people.

GASB Statement No.14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No.14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Village does not have oversight of any other component units, therefore, no other government unit is included in the Village's financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (The Statement of Net Assets and The Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a

VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. Government-Wide and Fund Financial Statements (cont.)

specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont.)

The Village reports the following major governmental fund:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Village also has three funds that are considered non-major:

Fire Department Fund - A fee is added to each water bill monthly to be used for the maintenance and operation cost of the Village's fire department.

Street Fund - is used to maintain the Village's streets. A portion of the ad-valorem tax base is designated for this purpose.

Drug Fund - This fund recovers funds from each drug arrest within the Village and the proceeds are used in helping maintain the Village's police force.

C. Cash and Cash Equivalents

Cash includes amounts in demand deposits. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principle offices in Louisiana. Certificates of deposits are classified as investments if their maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

D. Investments

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the Village are certificates of deposits held at local banks and the fair value is determined by the face value of the certificate.

VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

E. Budgets and Budgetary Accounting

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

1. Prior to the beginning of each fiscal year, the Mayor submits a proposed budget to the Board of Aldermen/Women for their approval.
2. A public hearing is conducted to obtain taxpayer comments.
3. The Board of Aldermen/Women approve the budget prior to the beginning of the fiscal year.
4. Budget amendments during the fiscal year require approval by the Board of Aldermen/Women.
5. All Budgetary appropriations lapse at the end of the fiscal year.

F. Capital Assets

Under GASB Statement No.34, capital assets, which include buildings, other improvements, machinery and equipment, vehicles, and furniture and fixtures, are reported and depreciated in the applicable government or business-type activities column of the governmental-wide financial statements. No long-term capital assets or depreciation are shown in the governmental fund statements.

As permitted by GASB Statement No.34, the Village has elected not to capitalize infrastructure assets retroactively such as: streets, sidewalks, drainage, and street lighting.

All purchased capital assets are recorded at cost. Donated capital assets are valued at fair market value at date of gift. Major additions are capitalized while maintenance and repairs that do not improve or extend the life of the respective assets are charged to expense. Interest is capitalized on funds used during construction of projects acquired with bond funds.

Capital assets are depreciated over the estimated useful lives of the assets using the straight-line method. Estimated useful lives are as follows (in years):

Buildings	26 to 40 years
Water System	30 to 40 years
Sewerage System	40 years
Office Equipment	5 to 10 years
Equipment	5 to 20 years
Vehicles	5 years

VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

G. Property Taxes

Ad valorem taxes were levied for 2004 at seven mills. These taxes, which attach as enforceable liens on property as of January 1, are levied in October, become due on receipt and until December 31, 2004, and become delinquent on January 1 of the following year. The taxes are generally collected in December of the current year and January and February of the following year.

H. Compensated Absences

Employees of the Village do not accrue or "carry forward" vacation or sick pay from year to year. As such, there are no accruals made in either the Enterprise Funds, or the General Long-Term Debt account group for these payments.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. The estimates are the responsibility of management. Actual results can differ from those estimated.

J. Retirement Plan

The Village does not participate in any retirement fund, therefore all employees are covered by the social security administration.

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2005, the Village had cash and cash equivalents totaling \$128,065 as follows:

Demand deposits	\$	47
Interest bearing demand deposits		128,018
Total	\$	<u>128,065</u>

These deposits 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 the 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 accepted to both parties.

VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 - CASH AND CASH EQUIVALENTS(cont.)

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 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 by the district attorney that the fiscal agent has failed to pay deposited funds upon demand.

As of June 30, 2005, the book balance of the Village's deposit was \$128,065, and the bank balance was \$128,479. Of the bank balance, \$100,000.00 was covered by federal depository insurance, and \$28,479 by pledged securities.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2005, consist of the following:

	General	Enterprise	Totals
Receivables:			
Taxes	\$ 4,510	-	\$ 4,510
Accounts	-	8,900	8,900
Total receivables	<u>\$ 4,510</u>	<u>\$ 8,900</u>	<u>\$ 13,410</u>

NOTE 4 - CHANGES IN CAPITAL ASSETS

The changes in capital assets are as follows:

	Balance 6/30/2004	Additions	Deductions	Balance 6/30/2005
Governmental Activities:				
Land	\$ 250	-	-	\$ 250
Fire Station and steel building	411,871	-	-	411,871
Fire station equipment	1,525	2,935	-	4,460
Tractor	6,309	-	-	6,309
Police equipment	53,063	13,867	-	66,930
Office equipment	17,238	-	-	17,238
Total Capital Assets	490,256	16,802	-	507,058
Less: Accumulated depreciation	(177,999)	(23,866)	-	(201,865)
Net Capital Assets-governmental activities	<u>312,257</u>	<u>(7,064)</u>	<u>-</u>	<u>305,193</u>
Business-Type Activities:				
Land	3,000	-	-	3,000
Water treatment plant	193,910	-	-	193,910
Water well	50,000	-	-	50,000
Sewer treatment plant	279,440	-	-	279,440
Equipment	17,715	2,252	-	19,967
Total Capital Assets	544,065	2,252	-	546,317
Less Accumulated depreciation	(392,435)	(12,726)	-	(405,161)
Net Capital Assets-business-type activities	<u>\$ 151,630</u>	<u>\$ (10,474)</u>	<u>-</u>	<u>\$ 141,156</u>

VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any to be immaterial.

According to the Village of Delta's mayor, there is no pending litigation or claims at June 30, 2005.

NOTE 6 - CORRECTION OF ERRORS

Governmental Funds:

At June 30, 2004 the Village did not compute depreciation on capital assets acquired in the governmental funds prior to July 1, 2003. This depreciation was calculated for this financial statement and resulted in a decrease in the beginning net assets of \$177,127.

Enterprise Fund:

In preparation of the June 30, 2004 financial statements, \$1,968 of accounts payable were omitted from the financial statements. This omission resulted in a overstatement of net assets by \$1,968.

REQUIRED SUPPLEMENTAL INFORMATION

PART II

VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$ 13,000	\$ 11,116	\$ 5,647	\$ (5,469)
Fines and court fees	101,000	108,908	119,433	10,525
License & permits	14,075	7,814	10,828	3,014
Crime lab	7,175	8,592	8,544	(48)
Sales tax	4,500	3,228	3,642	414
Franchise tax	5,500	5,720	5,347	(373)
Beer tax	700	640	519	(121)
Video poker	9,000	5,799	5,962	163
Interest	350	533	1,446	913
Miscellaneous	22,230	14,416	6,081	(8,335)
MCTA	9,600	9,600	9,600	-
Total Revenue	<u>187,130</u>	<u>176,366</u>	<u>177,049</u>	<u>683</u>
EXPENDITURES				
Repairs				
Dues	500	475	475	-
Insurance	10,000	10,861	10,861	-
Supplies	2,950	1,667	1,812	(145)
Payroll taxes	19,200	16,239	6,472	9,767
Police expenses	16,000	12,393	18,957	(6,584)
Salaries:				
Office	16,000	14,942	19,578	(4,636)
Mayor	6,400	6,400	6,600	(200)
Police	35,000	30,424	40,949	(10,525)
State funds- court fees	4,400	3,464	-	3,464
Tax Assessor	400	152	152	-
Telephone	600	702	788	(86)
Utilities	7,500	6,945	6,590	355
Professional fees	2,000	3,538	3,926	(388)
Crime labs	5,400	5,358	4,817	541
Alderman salary	1,800	1,470	1,660	(190)
Miscellaneous	16,500	23,630	7,196	16,434
Purchase of equipment	8,065	8,065	8,065	-
Total Expenditures	<u>152,715</u>	<u>146,725</u>	<u>138,898</u>	<u>7,827</u>
Excess (Deficit) of Revenues Over Expenditures	<u>34,415</u>	<u>29,641</u>	<u>38,151</u>	<u>8,510</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	(32,000)	(32,545)	(545)
Total	<u>-</u>	<u>(32,000)</u>	<u>(32,545)</u>	<u>(545)</u>
Excess of Revenues over Expenditures and Other Financing Sources	<u>34,415</u>	<u>(2,359)</u>	<u>5,606</u>	<u>7,965</u>
Fund Balance - Beginning	<u>10,484</u>	<u>48,627</u>	<u>66,881</u>	<u>18,254</u>
Fund Balance - Ending	<u>\$ 44,899</u>	<u>\$ 46,268</u>	<u>\$ 72,487</u>	<u>\$ 26,219</u>

See Accountant's Review Report.

VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - NON-MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
Revenues				
Ad valorem taxes	\$ 6,000	\$ 5,508	\$ 5,508	\$ -
Interest	295	579	1,101	522
Miscellaneous	29,900	10,646	11,115	469
Total Revenues	<u>36,195</u>	<u>16,733</u>	<u>17,724</u>	<u>991</u>
Expenditures				
Insurance	1,500	1,218	1,935	(717)
Supplies	200	32	120	(88)
Mosquito control	3,000	1,671	1,705	(34)
Utilities	825	874	835	39
Miscellaneous	18,000	7,378	6,773	605
Highways & streets:				
Supplies	200	818	-	818
Salaries	1,400	693	693	-
Repairs & Maintenance	2,500	1,619	2,933	(1,314)
Total Expenditures	<u>27,625</u>	<u>14,303</u>	<u>14,994</u>	<u>(691)</u>
Excess (Deficit) of Revenues Over Expenditures	8,570	2,430	2,730	300
Fund Balance - Beginning	<u>55,261</u>	<u>38,561</u>	<u>42,805</u>	<u>4,244</u>
Fund Balance - Ending	<u>\$ 63,831</u>	<u>\$ 40,991</u>	<u>\$ 45,535</u>	<u>\$ 4,544</u>

See Accountant's Review Report.

OTHER SUPPLEMENTAL INFORMATION

PART III

VILLAGE OF DELTA
DELTA, LOUISIANA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005

	<u>Street Account</u>	<u>Volunteer Fire Department</u>	<u>Drug Fund</u>	<u>Total</u>
Assets - Cash	<u>\$ 11,550</u>	<u>\$ 18,325</u>	<u>\$ 15,660</u>	<u>\$ 45,535</u>
Liabilities and Fund Equity Undesignated	<u>11,550</u>	<u>18,325</u>	<u>15,660</u>	<u>45,535</u>
Total Liabilities and Fund Equity	<u>\$ 11,550</u>	<u>\$ 18,325</u>	<u>\$ 15,660</u>	<u>\$ 45,535</u>

See Accountant's Review Report.

VILLAGE OF DELTA
DELTA, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Street Account	Volunteer Fire Department	Drug Fund	Total
Revenues				
Ad valorem taxes	\$ 5,508	\$ -	\$ -	\$ 5,508
Miscellaneous	1,185	5,626	4,304	11,115
Interest earned	165	807	129	1,101
Total Revenues	<u>6,858</u>	<u>6,433</u>	<u>4,433</u>	<u>17,724</u>
Expenditures				
Current:				
General governmental	152	-	-	152
Public safety	1,705	5,143	2,028	8,876
Public works	3,031	-	-	3,031
Capital outlay	-	2,935	-	2,935
Total Expenditures	<u>4,888</u>	<u>8,078</u>	<u>2,028</u>	<u>14,994</u>
Excess (Deficiency) of Revenues Over Expenditures	1,970	(1,645)	2,405	2,730
Fund Balance - Beginning	<u>9,580</u>	<u>19,970</u>	<u>13,255</u>	<u>42,805</u>
Fund Balance - Ending	<u>\$ 11,550</u>	<u>\$ 18,325</u>	<u>\$ 15,660</u>	<u>\$ 45,535</u>

See Accountant's Review Report.

VILLAGE OF DELTA
DELTA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO MAYOR AND ALDERMEN/WOMEN
FOR THE YEAR ENDED JUNE 30, 2005

The mayor, Robert Ott, received a monthly salary of \$550.00 for a total of \$6,600.00 for the year ended June 30, 2005.

Compensation paid to the Village's Aldermen/Women was as follows:

<u>Aldermen</u>	<u>2005</u>
Marvin Ashley	\$ 540
Shannon White	540
Charles Davis	<u>580</u>
Total	<u>\$ 1,660</u>

See Accountant's Review Report.

David Q. Richardson

Certified Public Accountant

P.O. Box 891

Tallulah, Louisiana 71284

(318) 574-0514

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Honorable Mayor and Members
of the Board of Aldermen/Women
Village of Delta, Louisiana

I 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 Delta and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended June 30, 2005, included in the accompanying Louisiana Attestation 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, I make no representation regarding the sufficiency of the procedures described below neither for the purpose for which this report has been requested nor for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies that exceeded \$20,000 or public works in excess of \$100,000.

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 42:1101-1124 (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 me 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 me 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 in 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 me with a copy of the original budget and all amendments made to the budget during the year.

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

I traced the adoption of the original budget to the minutes of a meeting held on June 14, 2004 which indicated that the budget had been adopted by the Board of Aldermen of the Village of Delta by a vote of all in favor, and the budget was amended at the June 21, 2005 Board Meeting.

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

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues for the year were within 5% of budgeted amounts and expenditures for the year did not exceed budgeted amounts by 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;

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

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

Six 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 mayor. The mayor indicated his approval by signing the check paying the expenditure.

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 42:12 (the open meeting law).

The Village of Delta is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building. Management has asserted that such documents were properly posted on the door of the office including an agenda for the meeting. I could not find any evidence supporting such assertion, but it was advertised in the local newspaper each month, and the date and time of each meeting was disclosed on the monthly water bill.

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.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appear 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 payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Village of Delta for the year indicated no approval for any bonus, advance, or gift. I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Delta 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.

Tallulah, Louisiana
August 15, 2005



**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

_____ 06-15-05 (Date Transmitted)

DAVID Q. RICHARDSON, CPA

P. O. BOX 891

TALLULAH, LA 71284, (Auditor)

In connection with your review of our financial statements as of [date] 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 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [X] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have 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 [X] 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 [X] 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 [X] 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 44:36.

Yes [X] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, 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 33 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.

Robert F. Cott Mayor 06-15-05 Date