

VILLAGE OF MCNARY
GLENMORA, LOUISIANA

FINANCIAL REPORT

YEARS ENDED
JUNE 30, 2008 AND 2007

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 1/14/09

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
ANNUAL FINANCIAL REPORT
WITH SUPPLEMENTAL INFORMATION SCHEDULES
JUNE 30, 2008

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MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
FAX 387-5015
MONROE, LOUISIANA 71207-2896

Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

December 22, 2008

To the Honorable Donald Parker II, Mayor
and Members of the Board of Aldermen and Alderwomen
Village of McNary
Glenmora, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Village of McNary, Glenmora, Louisiana, as of and for the year ended June 30, 2008, 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 McNary, Glenmora, Louisiana.

A review consists principally of inquiries of Village 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, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2 through 6 and 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, we do not express an opinion or any other form of assurance on the supplementary information.

The 2007 financial statements of the Village of McNary, Glenmora, Louisiana were compiled by other accountants whose report dated December 4, 2007, stated that they did not express an opinion or any other form of assurance on those statements.

In accordance with the Louisiana Government Audit Guide and the provisions of state law, we have issued a report, dated December 22, 2008, on the results of our agreed upon procedures.

Marcus, Robinson + Hassell

Marcus, Robinson, and Hassell

MANAGEMENTS DISCUSSION AND ANALYSIS

**Village of McNary, Louisiana
Management's Discussion and Analysis
June 30, 2008**

The management of the Village of McNary, Louisiana offers readers of the Village of McNary, Louisiana's (Village) financial statements this narrative overview an analysis of the financial activities of the Village for the fiscal year ended June 30, 2008. Management discussion and analysis is designed to provide an objective analysis of the Village's financial activities based on currently know facts, decisions, or conditions.

Overview of the Financial Statements

The Village's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. The statement of activities shows how the government's net assets changed during this fiscal year. All changes in net assets are reported as soon as the underlying event occurs regardless of the timing of the related cash flows.

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines and intergovernmental revenues for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees such as the water and sewer departments.

Fund Financial Statements

The Village of McNary, Louisiana maintained three governmental funds, the General Fund, Capital Project- Streets, Capital Projects- Park. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these which are considered to be a major funds.

The Village adopts an annual budget for its general fund. A statement of revenues, expenditures and changes in fund balance is presented on Statement A which compares actual revenues and expenditures to the original budget figures. The original budget was adopted on June 4, 2007. There were no amendments.

The Village operates one proprietary fund. The Village uses an enterprise fund to account for its water and sewer disposal operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements. The notes are found on pages 16-26.

Government-wide Financial Analysis

Overall, the Village's financial position and results of its operation did improve in fiscal 2008. The largest percentage of the total assets (76%) is the Village's investment in net capital assets. The Village has outstanding debt of \$253,289 which was used to finance some of the \$1,018,654 capital assets. (For more detailed information on the Village's debt and capital assets, see pages 21 - 23.) The Village will pay \$20,626 in bond payments in fiscal 2009. The Village received a \$261,382 grant from the LCDBG for street improvements. This project was completed in 2008. The Village received \$50,000 from the state of Louisiana for a recreation area. This project was unfinished at year end. The total liabilities of \$ 274,465 are 21% of the total assets.

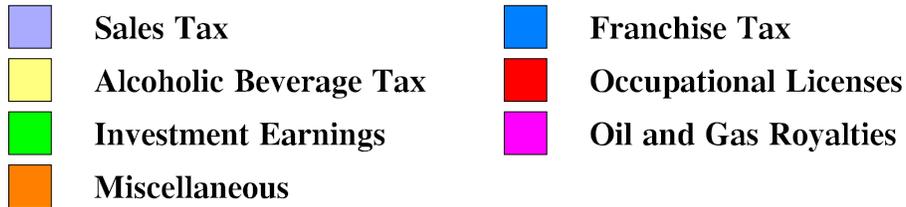
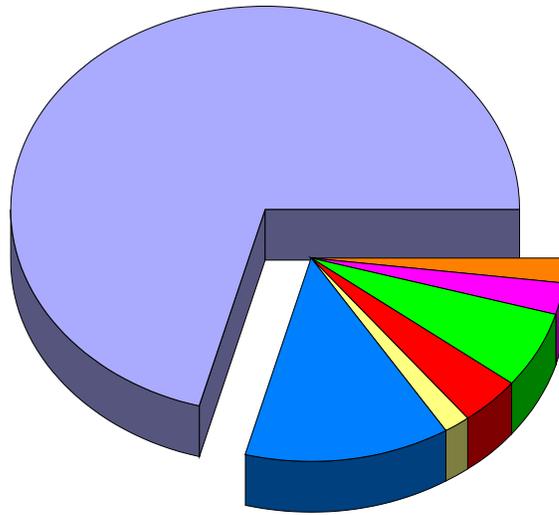
The following table reflects the condensed statement of net assets at June 30, 2008.

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets	\$ 172,640.30	\$ 37,569.52	\$ 210,209.82
Non-current Assets	383,842.53	695,530.67	1,079,373.20
Total Assets	\$ 556,482.83	\$ 733,100.19	\$ 1,289,583.02
Liabilities			
Current Liabilities	\$ 34,829.41	\$ 22,828.69	\$ 57,658.10
Non-current Liabilities	.00	216,807.07	216,807.07
Total Liabilities	\$ 34,829.41	\$ 239,635.76	\$ 274,465.17
Net Assets			
Invested in Capital Assets, Net of Related Debt	\$ 354,705.63	\$ 407,408.15	\$ 762,113.78
Restricted	.00	28,946.67	28,946.67
Unrestricted	166,947.79	57,109.61	224,057.40
Total Net Assets	\$ 521,653.42	\$ 493,464.43	\$ 1,015,117.85

The Village's governmental activities increased the net assets by \$ 320,334, while business-type activities decreased net assets by \$(2,143). Part of the government fund increase is due to grants from the state and federal government. Below is a summary of the statement of activities:

	Governmental Activities	Business-Type Activities	Total
Revenues			
Program Revenues	\$ 382,734.95	\$ 47,779.48	\$ 430,514.43
General Revenues	63,151.75	3,277.71	66,429.46
Total Revenues	\$ 445,886.70	\$ 51,057.19	\$ 496,943.89
Expenses			
General and Administrative	\$ 41,281.99	\$.00	\$ 41,281.99
Public Safety	74,224.99	.00	74,224.99
Public Services	10,044.91	.00	10,044.91
Culture and Recreation	.00	.00	.00
Water	.00	42,113.61	42,113.61
Interest on Long-Term Debt	.00	11,086.41	11,086.41
Total Expenses	\$ 125,551.89	\$ 53,200.02	\$ 178,751.91
Increases(Decreases) in Net Assets	\$ 320,334.81	\$ (2,142.83)	\$ 318,191.98
Net Assets B July 1, 2007	201,318.61	495,607.26	696,925.87
Net Assets B June 30, 2008	\$ 521,653.42	\$ 493,464.43	\$ 1,015,117.85

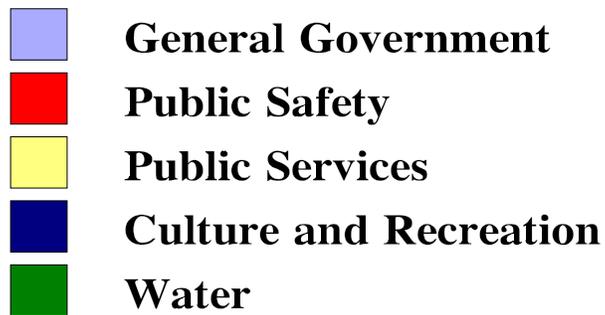
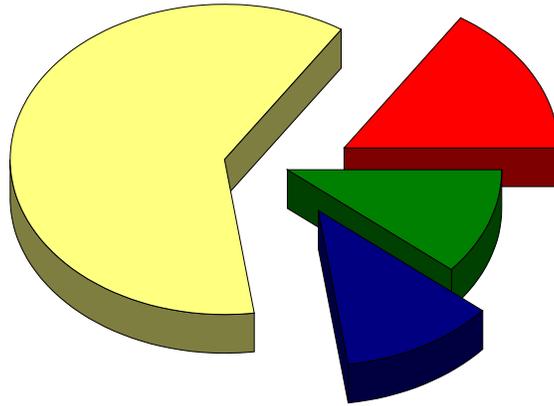
GENERAL REVENUES



General Revenues Consist of the Following:

Sales Taxes	\$ 46,487.69
Franchise Taxes	9,071.02
Alcoholic Beverage Tax	1,034.84
Occupational Licenses	2,623.16
Investment Earnings	4,308.88
Oil and Gas Royalties	1,580.26
Miscellaneous	1,323.61
Total General Revenues	<u>\$ 66,429.46</u>

PROGRAM REVENUES



Program Revenues Are Broken Down By:

General Government	\$.00
Public Safety		69,186.87
Public Services		263,548.08
Culture and Recreation		50,000.00
Water		47,779.48
Total Program Revenues	\$	<u>430,514.43</u>

Financial Analysis of the Government's Funds

The Village of McNary's governmental funds reported an ending fund balance of \$134,863, which is an increase of \$1,666.

The Village's proprietary fund shows an ending net assets of \$493,464 which is a decrease of \$2,143.

General Fund Budgetary Highlights

The Village budget was approved on June 4, 2007 board meeting. The general fund budget is as follows:

Revenues	\$ 130,000
Expenditures	<u>125,000</u>
Net	<u>\$ 5,000</u>

The general fund actual revenue and expenditures are within 5% of the budgeted amounts.

Capital Asset and Debt Administration

The total investment in net capital assets as of June 30, 2008 is \$1,018,654.

New major capital assets purchased in fiscal 2008 are:

1. The general fund purchased a 2001 jeep at a cost of \$2,250.
2. The Village received financing from the LCDG for street improvements at a cost of \$280,425. The Village paid for a separate street improvement project costing \$2,256.
3. The Village received financing of \$50,000 for the state of Louisiana for the construction of a park. This project was not completed at the end of this fiscal year. The total expenses are \$45,254 at June 30, 2008.

The Village has 2 bonds issues that financed water improvements. The total outstanding liability is \$226,653. The total liability due in fiscal 2009 is \$20,626.

Current Financial Factors

The Village has applied for a rural development grant for fiscal 2009 of \$15,000 to apply to improvements to the park.

The Village's water collections increased during the first three months of this year by \$4,054 over this same period from last year.

The Village finished the park project in the first 2 months of fiscal 2009 for an additional cost of \$9,613.

The Village is considering the purchase of a generator for use during emergencies. The cost of which would be shared with the Town of Glenmora.

BASIC FINANCIAL STATEMENTS

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
STATEMENTS OF ASSETS
JUNE 30, 2008 AND 2007

EXHIBIT A

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS -</u> <u>TYPE</u> <u>ACTIVITIES</u>	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash and Cash Equivalents	\$ 102,143.61	\$ 12,526.26	\$ 114,669.87	\$ 56,565.26
Investments	59,524.77	23,167.35	82,692.12	108,204.35
Receivables Net	3,979.81	4,849.20	8,829.01	7,487.45
Due From Other Funds	3,416.16	(3,416.16)	.00	.00
Prepaid Items	2,947.41	338.75	3,286.16	887.67
Accrued Interest	628.54	104.12	732.66	732.55
Restricted Cash and Cash Equivalents	.00	28,594.42	28,594.42	26,513.23
Restricted Investments	.00	32,124.62	32,124.62	31,071.17
Capital Assets, Net	<u>383,842.53</u>	<u>634,811.63</u>	<u>1,018,654.16</u>	<u>721,881.54</u>
<u>Total Assets</u>	<u>\$ 556,482.83</u>	<u>\$ 733,100.19</u>	<u>\$ 1,289,583.02</u>	<u>\$ 953,343.22</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES</u>				
Accounts Payable	\$ 29,887.73	\$ 1,947.28	\$ 31,835.01	\$ 3,662.01
Accrued Liabilities	3,793.68	610.00	4,403.68	5,415.77
Customer Deposits	.00	9,675.00	9,675.00	8,825.00
Deferred Revenue	1,148.00	.00	1,148.00	1,221.50
Current Portion on Long-Term Obligations	.00	10,596.41	10,596.41	10,639.59
Non-Current Portion of Long-Term Obligations	.00	216,807.07	216,807.07	226,653.48
<u>Total Liabilities</u>	<u>\$ 34,829.41</u>	<u>\$ 239,635.76</u>	<u>\$ 274,465.17</u>	<u>\$ 256,417.35</u>
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 354,705.63	\$ 407,408.15	\$ 762,113.78	\$ 484,588.47
Restricted (Deficit)	.00	28,946.67	28,946.67	27,271.56
Unrestricted (Deficit)	<u>166,947.79</u>	<u>57,109.61</u>	<u>224,057.40</u>	<u>185,065.84</u>
<u>Total Net Assets</u>	<u>\$ 521,653.42</u>	<u>\$ 493,464.43</u>	<u>\$ 1,015,117.85</u>	<u>\$ 696,925.87</u>

See accountants' report and notes to the financial statements.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
BALANCE SHEETS
GOVERNMENTAL FUNDS - GENERAL FUND/CAPITAL PROJECTS
JUNE 30, 2008 AND 2007

EXHIBIT C

<u>ASSETS</u>	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS STREETS</u>	<u>CAPITAL PROJECTS PARK</u>	<u>2008</u>	<u>2007</u>
<u>CURRENT ASSETS</u>					
Cash and Cash Equivalents	\$ 57,023.01	\$ 9,618.99	\$ 35,501.91	\$ 102,143.61	\$ 49,002.57
Investments	59,524.77	.00	.00	59,524.77	85,824.74
Receivables Net					
Oil and Gas	\$ 186.07	\$.00	\$.00	\$ 186.07	\$.00
Garbage Receivable	154.00	.00	.00	154.00	41.00
Sales and Use Taxes	<u>3,639.74</u>	<u>.00</u>	<u>.00</u>	<u>3,639.74</u>	<u>3,721.89</u>
Total Receivables Net	\$ 3,979.81	\$.00	\$.00	\$ 3,979.81	\$ 3,762.89
Accrued Interest	628.54	.00	.00	628.54	617.96
Due From Other Funds	3,416.16	.00	.00	3,416.16	.00
Enterprise Fund	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>2,875.46</u>
<u>TOTAL ASSETS</u>	<u>\$ 124,572.29</u>	<u>\$ 9,618.99</u>	<u>\$ 35,501.91</u>	<u>\$ 169,692.89</u>	<u>\$ 142,083.62</u>
 <u>LIABILITIES AND NET ASSETS</u>					
<u>CURRENT LIABILITIES</u>					
Accounts Payable	\$ 4,001.73	\$.00	\$ 25,886.00	\$ 29,887.73	\$ 2,858.53
Accrued Liabilities	3,793.68	.00	.00	3,793.68	4,805.77
Deferred Revenue	<u>1,148.00</u>	<u>.00</u>	<u>.00</u>	<u>1,148.00</u>	<u>1,221.50</u>
Total Liabilities	<u>\$ 8,943.41</u>	<u>\$.00</u>	<u>\$ 25,886.00</u>	<u>\$ 34,829.41</u>	<u>\$ 8,885.80</u>
 <u>FUND EQUITY</u>					
Unreserved and Undesignated	<u>\$ 115,628.88</u>	<u>\$ 9,618.69</u>	<u>\$ 9,615.91</u>	<u>\$ 134,863.48</u>	<u>\$ 133,197.82</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 124,572.29</u>	<u>\$ 9,618.69</u>	<u>\$ 35,501.91</u>	<u>\$ 169,692.89</u>	<u>\$ 142,083.62</u>

See accountants' report and notes to the financial statements.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
RECONCILIATION OF THE BALANCE SHEETS
TO THE STATEMENTS OF NET ASSETS - GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

EXHIBIT C-1

	2008	2007
FUND BALANCES - Total Governmental Funds	\$ 134,863.48	\$ 133,197.82

Amounts reported for Governmental Activities in the Statement of
Net Assets are different because:

Capital Assets used in Governmental Activities are not
 Financial Resources and therefore are not reported in
 the Governmental Funds.

Governmental Capital Assets	445,390.25	117,705.69
Less: Accumulated Depreciation	(61,547.72)	(50,472.57)

Prepaid Insurance is not accrued and is therefore not
 reported in the governmental funds.

Prepaid Insurance	2,947.41	887.67
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<u>NET ASSETS OF GOVERNMENTAL ACTIVITIES</u>	\$ 521,653.42	\$ 201,318.61
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See accountants' report and notes to the financial statements.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

EXHIBIT D

	<u>GENERAL</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>STREETS</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>PARK</u>	<u>2008</u>	<u>2007</u>
<u>Revenues</u>					
Franchise Taxes	\$ 9,071.02	\$.00	\$.00	\$ 9,071.02	\$ 7,532.18
Sales Taxes	46,487.69	.00	.00	46,487.69	43,486.93
Licenses and Permits	2,623.16	.00	.00	2,623.16	2,541.33
Intergovernment	1,034.84	.00	.00	1,034.84	512.07
Sanitation Fees	2,166.00	.00	.00	2,166.00	2,002.10
Fines	64,086.87	.00	.00	64,086.87	64,209.50
Interest Income	2,190.97	.00	.00	2,190.97	2,330.21
Miscellaneous	163.81	.00	.00	163.81	677.86
Oil and Gas Royalties	1,580.26	.00	.00	1,580.26	1,303.98
Police Supplemental Pay	5,100.00	.00	.00	5,100.00	3,600.00
Grants	.00	261,382.08	50,000.00	311,382.08	18,721.00
Total Revenues	<u>\$ 134,504.62</u>	<u>\$ 261,382.08</u>	<u>\$ 50,000.00</u>	<u>\$ 445,886.70</u>	<u>\$ 146,917.16</u>
 <u>Expenditures</u>					
General and Administrative	\$ 40,251.66	\$.00	\$.00	\$ 40,251.66	\$ 36,842.82
Police Protection	65,627.32	.00	.00	65,627.32	62,406.17
Fire Protection	4,200.00	.00	.00	4,200.00	4,200.00
Sanitation Department	6,457.50	.00	.00	6,457.50	6,870.00
Total Expenditures	<u>\$ 116,536.48</u>	<u>\$.00</u>	<u>\$.00</u>	<u>\$ 116,536.48</u>	<u>\$ 110,318.99</u>
Excess of Revenues Over Expenditures	<u>\$ 17,968.14</u>	<u>\$ 261,382.08</u>	<u>\$ 50,000.00</u>	<u>\$ 329,350.22</u>	<u>\$ 36,598.17</u>
 <u>Other Financing Sources (Uses)</u>					
Purchase of Other Assets	<u>\$ (2,250.00)</u>	<u>\$ (280,180.47)</u>	<u>\$ (45,254.09)</u>	<u>\$ (327,684.56)</u>	<u>\$ (20,586.00)</u>
Total Other Financing Sources (Uses)	<u>\$ (2,250.00)</u>	<u>\$ (280,180.47)</u>	<u>\$ (45,254.09)</u>	<u>\$ (327,684.56)</u>	<u>\$ (20,586.00)</u>
Net Change in Fund Balance	<u>\$ 15,718.14</u>	<u>\$ (18,798.39)</u>	<u>\$ 4,745.91</u>	\$ 1,665.66	\$ 16,012.17
Fund Balance - Beginning of Year				<u>133,197.82</u>	<u>117,185.65</u>
Fund Balance - End of Year				<u>\$ 134,863.48</u>	<u>\$ 133,197.82</u>

See accountants' report and notes to the financial statements.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
RECONCILIATION OF THE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

EXHIBIT D-1

	2008	2007
NET CHANGE IN FUND BALANCES - Total Governmental Funds	\$ 1,665.66	\$ 16,012.17
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental 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.		
Expenditures for Capital Assets	327,684.56	20,586.00
Less Current Year Depreciation	(11,075.15)	(8,915.60)
 Governmental funds expense insurance payments when paid. In the Statement of Activities, only the portion applicable to the current year is expensed. The remaining is recorded in the Statement of Net Assets as prepaid insurance.		
Prior Year Prepaid Insurance	(887.67)	.00
Current Year Prepaid Insurance	2,947.41	887.67
 <u>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</u>	 <u>\$ 320,334.81</u>	 <u>\$ 28,570.24</u>

See accountants' report and notes to the financial statements.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
STATEMENTS OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008 AND 2007

EXHIBIT E

<u>ASSETS</u>	<u>2008</u>	<u>2007</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 12,526.26	\$ 7,562.69
Accounts Receivable, Net	4,849.20	3,724.56
Investments	23,167.35	22,379.61
Prepaid Items	338.75	.00
Accrued Interest Receivables	104.12	114.59
Total Current Assets	<u>\$ 40,985.68</u>	<u>\$ 33,781.45</u>
 <u>NON-CURRENT ASSETS</u>		
Restricted Assets		
Cash and Cash Equivalents	\$ 28,594.42	\$ 26,513.23
Investments	32,124.62	31,071.17
Total Restricted Assets	<u>\$ 60,719.04</u>	<u>\$ 57,584.40</u>
 <u>CAPITAL ASSETS</u>		
Property, Plant, and Equipment, at Cost	\$ 878,048.97	\$ 878,048.97
Less: Accumulated Depreciation	(243,237.34)	(223,400.55)
Total Capital Assets	<u>\$ 634,811.63</u>	<u>\$ 654,648.42</u>
Total Non-Current Assets	<u>\$ 695,530.67</u>	<u>\$ 712,232.82</u>
<u>TOTAL ASSETS</u>	<u>\$ 736,516.35</u>	<u>\$ 746,014.27</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Current Liabilities (Payable from Current Assets):		
Accounts Payable	\$ 1,947.28	\$ 803.48
Accrued Liabilities	610.00	610.00
Due to General Fund	3,416.16	2,875.46
Customer's Deposits	9,675.00	8,825.00
Total Current Liabilities (Payable from Current Assets)	<u>\$ 15,648.44</u>	<u>\$ 13,113.94</u>
Current Liabilities (Payable from Restricted Assets):		
Accrued Bond Interest	\$ 750.00	\$ 925.00
Water Revenue Bonds Payable	9,846.41	9,714.59
Total Current Liabilities (Payable from Restricted Assets)	<u>\$ 10,596.41</u>	<u>\$ 10,639.59</u>
Total Current Liabilities	<u>\$ 26,244.85</u>	<u>\$ 23,753.53</u>
Long-Term Liabilities:		
Water Revenue Bonds	\$ 216,807.07	\$ 226,653.48
Total Long-Term Liabilities	<u>\$ 216,807.07</u>	<u>\$ 226,653.48</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 243,051.92</u>	<u>\$ 250,407.01</u>
 <u>NET ASSETS</u>		
Invested in Capital Assets Net of Related Debt	\$ 407,408.15	\$ 417,355.35
Restricted for Revenue Bond Retirement	28,946.67	27,271.56
Unrestricted	57,109.61	50,980.35
Total Net Assets	<u>\$ 493,464.43</u>	<u>\$ 495,607.26</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 736,516.35</u>	<u>\$ 746,014.27</u>

See accountants' report and notes to the financial statements.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

EXHIBIT F

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND - WATER

	<u>2008</u>	<u>2007</u>
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 47,779.48	\$ 45,127.14
Miscellaneous	1,159.80	.00
Total Operating Revenues	<u>\$ 48,939.28</u>	<u>\$ 45,127.14</u>
<u>OPERATING EXPENSES</u>		
Salaries and Employee Benefits	\$ 7,677.39	\$ 7,718.64
Office Supplies	1,275.66	1,874.52
Professional Fees	2,031.58	2,009.39
Repairs and Maintenance	5,751.69	11,790.11
Sales Taxes	103.00	222.00
Utilities and Telephone	3,078.67	5,214.13
Depreciation and Amortization	19,836.79	19,064.83
Water Chlorination	535.23	717.69
Insurance	1,823.60	1,825.87
Total Operating Expenses	<u>\$ 42,113.61</u>	<u>\$ 50,437.18</u>
Net Operating Income (Loss)	\$ 6,825.67	\$ (5,310.04)
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Income	\$ 2,117.91	\$ 2,135.33
Interest Expense	(11,086.41)	(11,537.08)
Total Non-Operating Revenues (Expenses)	<u>\$ (8,968.50)</u>	<u>\$ (9,401.75)</u>
<u>CHANGE IN NET ASSETS</u>	\$ (2,142.83)	\$ (14,711.79)
<u>NET ASSETS - BEGINNING OF THE YEAR</u>	<u>495,607.26</u>	<u>510,319.05</u>
<u>NET ASSETS - END OF THE YEAR</u>	<u>\$ 493,464.43</u>	<u>\$ 495,607.26</u>

See accountant's report and notes to the financial statements.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

EXHIBIT G

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND - WATER

	<u>2008</u>	<u>2007</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from Customers	\$ 47,814.64	\$ 47,022.34
Payments to Suppliers	(13,794.38)	(24,108.93)
Payments to Employees	(7,677.39)	(7,718.64)
Other Receipts (Payments)	<u>850.00</u>	<u>525.00</u>
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>\$ 27,192.87</u>	<u>\$ 15,719.77</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Purchase of Equipment	\$.00	\$ (15,971.33)
Transfers from General Fund	<u>.00</u>	<u>6.00</u>
<u>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</u>	<u>\$.00</u>	<u>\$ (15,965.33)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Principal Paid on Bonds	\$ (9,714.59)	\$ (8,588.92)
Interest Paid on Bonds	<u>(11,261.41)</u>	<u>(11,687.08)</u>
<u>NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>\$ (20,976.00)</u>	<u>\$ (20,276.00)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Transfer of Non-Cash Equivalents to Cash Equivalents	\$.00	\$ (22,628.89)
Interest Earned on Investments	<u>827.89</u>	<u>1,124.92</u>
<u>NET CASH PROVIDED BY INVESTING ACTIVITIES</u>	<u>\$ 827.89</u>	<u>\$ (21,503.97)</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>\$ 7,044.76</u>	<u>\$ (42,025.53)</u>
<u>CASH AND CASH EQUIVALENTS AT JULY 1</u>	<u>34,075.92</u>	<u>76,101.45</u>
<u>CASH AND CASH EQUIVALENTS AT JUNE 30</u>	<u>\$ 41,120.68</u>	<u>\$ 34,075.92</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS</u>		
Cash	\$ 12,526.26	\$ 7,562.69
Restricted Assets - Revenue Bonds	<u>28,594.42</u>	<u>26,513.23</u>
<u>NET CASH AND CASH EQUIVALENTS</u>	<u>\$ 41,120.68</u>	<u>\$ 34,075.92</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ 6,825.67	\$ (5,310.04)
Adjustments to Reconcile Net Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	19,836.79	19,064.83
Changes in Assets and Liabilities		
(Increase) Decrease in Accounts Receivable (Net)	(1,124.64)	1,895.20
(Increase) Decrease in Prepaid Items	(338.75)	112.12
Increase (Decrease) in Accounts Payable	1,143.80	(567.34)
Increase (Decrease) in Customer Deposits	<u>850.00</u>	<u>525.00</u>
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>\$ 27,192.87</u>	<u>\$ 15,719.77</u>

See accountants' report and notes to the financial statements.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

<u>NOTE NO.</u>	<u>DESCRIPTION</u>	<u>PAGE NO.</u>
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VILLAGE OF McNARY
GLENMORA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

INTRODUCTION

The Village of McNary in Glenmora, Louisiana (hereafter referred to as the Village) was incorporated August 6, 1913, under the provisions of the Lawrason Act, Louisiana Revised Statute 33:321. The Village operates under a Mayor-Board of Aldermen form of government.

The Mayor is elected for a four year term. The three Alderpersons are elected every four years from a separate district in the Village. They are compensated for their services.

The Village provides the following services: public safety, streets, drainage, utilities (water only), public improvements, planning and zoning and general and administrative services.

The Village is located in the south part of Rapides Parish. It has a population of 211 persons. It is currently servicing 202 water customers and an average of 76 garbage customers. The Village employs 1 full time person and 2 part time persons. Education, health and social services employ 30% of its citizens with another 20% employed in the agriculture, forestry, fishing, hunting, and mining industry.

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Village of McNary, Glenmora, Louisiana conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Government Units (Revised). The following is a summary of certain significant accounting policies.

Financial Reporting Entity. Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Village includes all funds which are controlled by or dependent on the Village which was determined on the basis of oversight responsibility, including accountability for fiscal and budget matters, designation of management or governing authority and authority to issue debt. Certain units of local government over which the Village exercise no oversight responsibility, such as the parish police jury, parish school board, other independently elected officials, and other municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Village.

Government-Wide Accounting - In accordance with Government Accounting Standards Board Statement No. 34, the Village has presented a Statement of Net Assets and Statement of Activities for the Village as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-Wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-Wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity - Interfund receivables and payables are eliminated in the Statement of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they are allocated.

Application of FASB Statements and Interpretations - Reporting on governmental-type and business-type activities are based on FASB Statements and the Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Capitalized Assets - Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net assets.

Under the requirements of GASB Statement No. 34, the Village is considered a Phase 3 government as its total annual revenues is less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The Village has opted not to retroactively report these types of capital assets.

Program Revenues - The Statement of Activities presents three categories of program revenues - (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Village. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for specific use.

Indirect Expenses - Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Village has chosen not to do so.

Operating Revenues - Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Village's operation of providing water services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Restricted Net Assets - Restricted net assets are those for which a constraint has been imposed either externally or by law. The Village recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net assets are used.

Fund Accounting - The Village uses funds 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 entity with a self-balancing set of accounts. Funds of the Village are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

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

1. General Fund - is the general operating fund of the Village and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

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

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

Basis of Accounting/Measurement Focus - The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

Budgets and Budgetary Accounting - The Village adopts an annual budget for the General Fund and Enterprise Fund. It is prepared in accordance with the basis of accounting utilized by that fund. Any revisions that alter the total expenditures must be approved by the Board of Alderpersons. Budgeted amounts shown are as originally adopted or as amended by the Board. Budget amendments are passed on an as-needed basis.

Cash and Cash Equivalents - Cash includes amounts in demand deposits, interest bearing demand deposits and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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 principal offices in Louisiana.

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 Sabine State Bank in Glenmora, Louisiana and the fair value is determined by the face value of the certificate.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets - Certain proceeds of enterprise funds are classified as restricted assets on the balance sheet because their use is limited. Components of these assets are as follows:

Water Revenue Bond Fund	\$ 20,573.81
Water Revenue Bond Reserve Fund	23,494.54
Water Revenue Bond Fund	8,630.08
Water Replacement and Extension Fund	2,360.38
Water Reserve Fund	<u>5,660.23</u>
Total Restricted Assets	<u>\$ 60,719.04</u>

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The Village collects deposits from their water customers. These collections are not kept in a separate account. All transactions are collected and paid out of the regular checking account for the convenience of the Village employees. Over the years the Restricted Bond Funds have been over restricted. Since the Village does not maintain a separate account for utility deposits, the over restriction of the bond funds are applied to the amount that should be restricted for utility deposits.

Inventories - The Village does not maintain inventories. Supplies are purchased on an as needed basis and are used normally within the year purchased.

Capital Assets - The Village's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Equipment and Furniture	3 - 10 Years	Buildings	39 - 40 Years
Utility Plant/Water system	5 - 50 Years	Infrastructure	40 - 60 Years
Vehicles	5 - 10 Years		

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the general purpose financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the Village has elected to not report its governmental infrastructure retroactively. The infrastructure currently being depreciated over a period of 50 years is the water system that is reported in the business-type activities of the Village. From this point forward, the Village will use the basic approach to infrastructure reporting for its governmental activities.

Compensated Absences - The Village does not pay sick or vacation time to its employees. The Village has only one full time employee.

Long-Term Obligations - In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Net Assets Fund Balances - In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components on net assets are as follows:

Invested in Capital Assets, Net of Related Debt - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets - Net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets - This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved - These resources are segregated because their use is earmarked for a specific use.

Unreserved - This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

Interfund Transactions - All interfund transactions, except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Sales Taxes - The Village receives a percent of the Rapides parish wide one cent sales tax which is based on a formula developed in 1967. The Village also receives a portion of the half cent parish wide sales tax for road maintenance. The road maintenance sales tax receipt is based on the percent of McNary's population as it relates to the total population of Rapides parish. The police jury collects and distributes both parish wide sales taxes. The road maintenance sales taxes are restricted to road maintenance at the parish level but are not restricted at the Village level. Any funding needed for road maintenance in the Village will be financed through the parish police jury's portion of the half cent parish wide sales tax fund.

NOTE # 2 - CASH AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. 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.

At June 30, 2008 the Village has cash investments totaling \$258, 081.03 as follows:

Cash in Checking or On Hand	\$ 114,669.87
Certificates of Deposits	82,692.12
Restricted Assets	<u>60,719.04</u>
Total	<u>\$ 258,081.03</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. The FDIC will insure bank deposits up to \$250,000. Sabine Bank and Trust Company has \$319,000 pledged as security.

Bank Balances	<u>\$ 258,031.03</u>
Federal Deposit Insurance	\$ 250,000.00
Pledged Securities	<u>8,031.03</u>
Total	<u>\$ 258,031.03</u>

Investments - The government's investments are categorized as either (1) insured or registered or for which the securities are held by the government or their agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the government's name.

	<u>CATEGORIES</u>			<u>CARRYING AMOUNT</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Government Security	\$.00	\$.00	\$.00	\$.00
Certificates of Deposit	<u>114,816.74</u>	<u>.00</u>	<u>.00</u>	<u>114,816.74</u>
Total Investments	<u>\$ 114,816.74</u>	<u>\$.00</u>	<u>\$.00</u>	<u>\$ 114,816.74</u>

The State requires collateral pledged for deposits to be held in the government's name by the banks trust department. The trust department reviews collateral pledged on a quarterly basis. Passbooks pay interest on a monthly basis, while certificate of deposits either pay interest at the maturity of the certificate or periodically during the term of the certificate. Checking accounts do not earn interest. Unpaid earned interest accrued at year end is \$732.66.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE # 3 - RECEIVABLES

A summary of receivables at June 30, 2008, follows:

General Fund	
Sales Taxes	\$ 3,639.74
Garbage	154.00
Oil and Gas Royalties	186.07
Total General Fund	<u>\$ 3,979.81</u>
Enterprise Fund	
Water customers	\$ 5,167.33
Less: Allowance for uncollectible	<u>318.13</u>
Total Enterprise Fund	<u>\$ 4,849.20</u>
 Total All Funds	 <u>\$ 8,829.01</u>

NOTE # 4 ALLOWANCE FOR DOUBTFUL ACCOUNTS

Allowance for Doubtful Accounts for the Proprietary Fund - Water Receivable accounts are based on the collectibility of outstanding receivables. Uncollected amounts due for customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible receivables is \$318.18 at June 30, 2008.

NOTE # 5 - RESTRICTED ASSETS - WATER

These assets consist of cash and investments restricted for the reserves and payment for the Water Revenue Bonds issued in 1972 and 1999.

Water Revenue Bond Fund	\$ 20,573.81
Water Revenue Bond Reserve Fund	23,494.54
Water Revenue Bond Fund	8,630.08
Water Replacement and Extension Fund	2,360.38
Water Reserve Fund	<u>5,660.23</u>
Total Restricted Assets	<u>\$ 60,719.04</u>

The Village was not required by bond covenants to restrict cash for customer deposits. The liability for customer's deposits on meters is \$9,675. The total funds restricted by bond contracts should be \$28,947. The over funding of these funds are enough to fund the utility meter deposit.

NOTE # 6 - CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2008 is as follows:

	<u>BEGINNING</u> <u>BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING</u> <u>BALANCE</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Land	\$ 3,291.00	\$.00	\$.00	\$ 3,291.00
Buildings	33,793.00	.00	.00	33,793.00
Improvements Other Than Buildings	4,015.00	.00	.00	4,015.00
Machinery and Equipment	59,306.69	2,250.00	.00	61,556.69
Construction in Process- Park Infrastructure	.00	45,254.09	.00	45,254.09
	<u>17,300.00</u>	<u>280,180.47</u>	<u>.00</u>	<u>297,480.47</u>
Totals at Historical Cost	<u>\$ 117,705.69</u>	<u>\$ 327,684.56</u>	<u>\$.00</u>	<u>\$ 445,390.25</u>

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE # 6 - CAPITAL ASSETS CONTINUED

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>ENDING DELETIONS</u>	<u>BALANCE</u>
Less Accumulated Depreciation for:				
Buildings	\$ 12,378.26	\$ 1,145.24	\$.00	\$ 13,523.50
Improvements	448.65	192.80	.00	641.45
Machinery and Equipment	37,553.16	6,427.22	.00	43,980.38
Construction in Process - Park	.00	.00	.00	.00
Infrastructure	92.50	3,309.89	.00	3,402.39
Total Accumulated Depreciation for:	<u>\$ 50,472.57</u>	<u>\$ 11,075.15</u>	<u>\$.00</u>	<u>\$ 61,547.72</u>

GOVERNMENTAL ACTIVITIES

CAPITAL ASSETS NET \$ 67,233.12 \$ 316,609.41 \$.00 \$ 383,842.53

BUSINESS-TYPE ACTIVITIES

Water System \$ 852,014.97 \$.00 \$.00 \$ 852,014.97
Storage Buildings 16,070.00 .00 .00 16,070.00
Machinery and Equipment 9,964.00 .00 .00 9,964.00
Totals at Historical Cost \$ 878,048.97 \$.00 \$.00 \$ 878,048.97

Less Accumulated Depreciation for:

Water System \$ 211,948.66 \$ 18,603.30 \$.00 \$ 230,551.96
Storage Buildings 5,222.75 803.50 .00 6,026.25
Machinery and Equipment 6,229.14 429.99 .00 6,659.13
Total Accumulated Depreciation for: \$ 223,400.55 \$ 19,836.79 \$.00 \$ 243,237.34

BUSINESS-TYPE ACTIVITIES

CAPITAL ASSETS NET \$ 654,648.42 \$ 19,836.79 \$.00 \$ 634,811.63

NOTE # 7 PENSION PLAN

The Village has one employee that participates in the State of Louisiana's Municipal Police Retirement program. Benefits are vested after 20 years of service or more of creditable service and age 50 is obtained, or 12 years or more of creditable service and age 55 is obtained. Under this plan any full time police officer contributes 7.5% of their eligible compensation, the rate of which is established by the state. The Village contribution rate is 13.75% of members' earnings. This program also provides death and disability benefits. The Village paid a total of \$6,352.52 to the retirement system in fiscal 2008.

NOTE # 8 - ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2008:

<u>CLASS OF PAYABLE</u>	<u>GENERAL FUND</u>	<u>PROPRIETARY FUNDS</u>	<u>TOTAL</u>
Accounts	\$ 29,887.73	\$ 1,947.28	\$ 31,835.01
Withholding and Payroll Accruals	4.21	.00	4.21
Accrued Salaries	3,789.47	610.00	4,399.47
Accrued Interest Payable	.00	750.00	750.00
Deferred Revenue	1,148.00	.00	1,148.00
Customer Deposits	.00	9,675.00	9,675.00
Totals	<u>\$ 34,829.41</u>	<u>\$ 3,307.28</u>	<u>\$ 47,811.69</u>

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE # 9 - NOTES AND BONDS PAYABLE

The following is a summary of bond transactions of the Village of McNary for the year ended June 30, 2008:

	1972 WATER UTILITY BONDS	2000 REVENUE WATER UTILITY BOND #91.02/ 91.04	TOTAL
Bonds Payable - July 1, 2007	\$ 37,000.00	\$ 199,368.07	\$ 236,368.07
Bonds Retired	7,000.00	2,714.59	9,714.59
Bonds Payable - June 30, 2008	<u>\$ 30,000.00</u>	<u>\$ 196,653.48</u>	<u>\$ 226,653.48</u>

Bonds payable at June 30, 2008 are comprised of the following individual issues:

Revenue Bonds:

\$142,000 Water Utility Bonds issued and dated January 20, 1972; due in annual installments ending in 2011; interest at 5%	<u>\$ 30,000.00</u>
\$201,000 Water Revenue Bonds, Series 1999 issued and dated July 13, 2000; due in monthly installments of \$944.70 for 40 years, interest 4.75%, Bond R-1.	\$ 182,887.74
\$14,000 Water Revenue Bonds, Series 1999 and issue and dated July 13, 2000; due in monthly installments of \$65.80 for 40 years, interest 4.75%, Bond R-2.	<u>13,765.74</u>
	<u>\$ 196,653.48</u>

The annual requirement to amortize 1972 non-major debt outstanding as of June 30, 2008, including interest payments of \$30,000, is as follows:

YEAR ENDING JUNE 30	PRINCIPLE	INTEREST	TOTAL PAYMENTS
2009	\$ 7,000.00	\$ 1,500.00	\$ 8,500.00
2010	7,000.00	1,150.00	8,150.00
2011	8,000.00	800.00	8,800.00
2012	8,000.00	400.00	8,400.00
TOTAL	<u>\$ 30,000.00</u>	<u>\$ 3,850.00</u>	<u>\$ 33,850.00</u>

The annual requirements to amortize 2001 non-major debt outstanding as of June 30, 2008, including interest payments of \$196,653.48 are as follows:

YEAR ENDING JUNE 30	PRINCIPLE	INTEREST	TOTAL PAYMENTS
2009	\$ 2,846.41	\$ 9,279.59	\$ 12,126.00
2010	2,984.57	9,141.43	12,126.00
2011	3,129.46	8,996.54	12,126.00
2012	3,281.42	8,844.58	12,126.00
2013	3,440.72	8,685.28	12,126.00
2014 - 2018	19,877.36	40,752.64	60,630.00
2019 - 2023	25,194.22	35,435.78	60,630.00
2024 - 2028	31,933.14	28,696.86	60,630.00
2029 - 2033	40,474.64	20,155.36	60,630.00
2034 - 2039	63,491.54	9,653.51	73,145.05
TOTAL	<u>\$ 196,653.48</u>	<u>\$ 179,641.57</u>	<u>\$ 376,295.05</u>

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE #10 - FLOW OF FUNDS, RESTRICTION ON USE - UTILITIES REVENUES

BOND RESERVE FUND

Under the terms of the Series 1999 bond indenture a sum equal to 5% of the monthly payment being made into the Sinking Fund must be deposited monthly into this fund until the moneys equal the highest combined annual debt service in any future year on the outstanding bonds. The highest payment total is \$20,926 in 2011.

RENEWAL AND REPLACEMENT FUND

The terms also require a sum equal to \$86 is to be paid monthly into the Replacement Fund. Once the Reserve Requirement is met, a sum of \$137 is to be paid monthly into the Replacement Fund over the life of the Bond.

Subject to the foregoing, which are cumulative, any balance in the Water Revenue Fund shall be used for the purpose of acquiring for cancellation, the outstanding Water Revenue Bonds or for redeeming the outstanding Water Revenue Bonds in inverse numerical order, at par and accrued interest to the call date, or any other lawful purpose whether or not connected with the System.

NOTE # 11 - GRANTS AND GOVERNMENT PROGRAMS

The Village received \$50,000 from the state of Louisiana to construct a recreation complex in a cooperative endeavor agreement with state. The total cost in this fiscal year is \$45,254.09 with an additional 10% of the work left on the parking lot and fence at year end.

The Village received a LCDBG grant of \$261,382.08 for street improvements. This project was completed at year end at a cost of \$297,680.47 not including \$15,000 which was paid by the Rapides Parish Police Jury.

NOTE # 12 - DEFICIT FUND EQUITY

As of June 30, 2008 no Village funds had deficit fund equities.

NOTE # 13 - INTERFUND BALANCES AND TRANSFERS

	<u>DUE FROM</u>	<u>DUE TO</u>
General Fund:		
Water	\$ 3,416.16	\$.00
Capital Projects- Streets	9,618.69	.00
Total General Fund	<u>\$ 13,034.85</u>	<u>\$.00</u>
Water Enterprise Fund:		
General Fund	\$.00	\$ 3,416.16
Total Water Enterprise Fund	<u>\$.00</u>	<u>\$ 3,416.16</u>
Capital Projects- Streets	<u>\$.00</u>	<u>\$ 9,618.69</u>
Total All Funds	<u>\$ 13,034.85</u>	<u>\$ 13,034.85</u>

Interfund Transfers - Operating transfers between funds consist primarily of financing transfers for capital projects.

	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
General		
Capital Projects - Street	\$.00	\$ 21,298.39
Capital Projects - Park	.00	4,870.00
Total All Funds	<u>\$.00</u>	<u>\$ 26,168.39</u>

VILLAGE OF McNARY
GLENMORA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE # 14 - PROPRIETARY FUND SEGMENT INFORMATION

The Village maintains one Enterprise Fund which provides water services. Segment information for the year ended June 30, 2008, is as follows:

Current Assets	\$ 37,569.52
Capital Assets, Net	<u>695,530.67</u>
Total Assets	<u>\$ 733,100.19</u>
Current Liabilities	\$ 22,828.69
Long-Term Liabilities	<u>216,807.07</u>
Total Net Assets	<u>\$ 493,464.43</u>
Invested in Capital Assets, Net	\$ 407,408.15
Restricted	28,946.67
Unrestricted	<u>57,109.61</u>
Total	<u>\$ 493,464.43</u>
Operating Revenues:	
Water Sales and Service	<u>\$ 48,939.28</u>
Total Operating Revenues	\$ 48,939.28
Operating Expenses	22,276.82
Depreciation	<u>19,836.79</u>
Operating Income	\$ 6,825.67
Non-Operating Revenue (Expenses)	<u>(8,968.50)</u>
Change in Net Assets	<u>\$ (2,142.83)</u>

NOTE # 15 - STATEMENT OF CASH FLOWS FOR PROPRIETARY FUNDS

For purposes of this Statement of Cash Flows, for proprietary fund types, all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased are considered to be cash equivalents. The cash and cash equivalents as stated on the Statement of Cash Flows are as follows:

	<u>WATER</u>
Unrestricted	\$ 12,526.26
Restricted	<u>28,594.42</u>
Total	<u>\$ 41,120.68</u>

NOTE # 16 - CONTINGENCIES

Summary of Disclosures of Significant Contingencies

In the normal course of operations, the Village receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Operating Lease

The Village of McNary has a contract with IESI company to provide garbage pickup for Village residents. This contract is on a year to year basis. The contract cost is \$8.75 per month per customer with the customer paying \$3.00 of this cost. The General Fund will fund the rest of the \$8.75 cost of \$5.75.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE # 16 - CONTINGENCIES CONTINUED

Cooperative Endeavor Agreement

The Village of McNary and the Spring Creek Community Volunteer Fire Department, and the Rapides Parish Fire Protection District No. 11 entered into an agreement effective July 26, 2000 to provide the Village of McNary with fire and medical emergency services. The Village agreed to pay \$4,200 per year for these services. The payments are to be paid per quarter beginning July 26 each year. The term of this agreement is for a two year period commencing upon the effective date of the agreement. This contract has been renewed every two years since 2000 with the current cycle ending July 26, 2008.

Other Contingencies

The Village indicated there is one lawsuit against the Village concerning the police department. The Village's liability insurance should cover any damages from this lawsuit except for the cost of the deductible on the policy.

NOTE # 17 - RELATED PARTY TRANSACTIONS

There were not related party transactions during fiscal year 2008.

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
GENERAL FUND

SCHEDULE A

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET (GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUE</u>	\$ 130,000.00	\$ 134,504.62	\$ 4,504.62
<u>EXPENDITURES</u>			
Current			
General and Administrative	\$ 43,000.00	\$ 40,251.66	\$ 2,748.34
Police Protection	67,000.00	65,627.32	1,372.68
Fire Protection	5,000.00	4,200.00	800.00
Sanitation Department	7,000.00	6,457.50	542.50
Total Expenditures	<u>\$ 122,000.00</u>	<u>\$ 116,536.48</u>	<u>\$ 5,463.52</u>
<u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	\$ 8,000.00	\$ 17,968.14	\$ 9,968.14
<u>OTHER FINANCING SOURCES (USES)</u>			
Sale of Assets	.00	.00	.00
<u>PAYMENTS FOR ACQUISITION OF CAPITAL ASSETS</u>	<u>(3,000.00)</u>	<u>(2,250.00)</u>	<u>(750.00)</u>
<u>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	<u>\$ 5,000.00</u>	<u>\$ 15,718.14</u>	<u>\$ 9,218.14</u>
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>133,197.82</u>	<u>133,197.82</u>	<u>.00</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>\$ 138,197.82</u>	<u>\$ 148,915.96</u>	<u>\$ 9,218.14</u>

See accountants' report.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO ELECTED OFFICIALS
JUNE 30, 2008

SCHEDULE B

Compensation paid to the Mayor and Board of Aldermen in the form of salaries for the year ended June 30, 2008 are as follows:

MAYOR

Donald Parker II P. O. Box 194 Glenmora, LA 71433 318 748-6022	\$6,300.00
---	------------

ALDERMEN & ALDERWOMEN

Brian Goree P. O. Box 1345 Glenmora, LA 71433 318-748-4309	\$3,000.00
---	------------

Barbara Billings P. O. Box 984 Glenmora, LA 71433 318-748-4045	\$3,000.00
---	------------

Billy Billings 1744 Melder Road Glenmora, LA 71433 318-748-4679	\$3,000.00
--	------------

Their terms expire December 31, 2010.

See accountants' report.

SCHEDULE C

VILLAGE OF MCNARY
 GLENMORA, LOUISIANA
SCHEDULE OF UTILITY PLANT & EQUIPMENT
ENTERPRISE FUND - WATER DEPARTMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

2007 UNAUDITED

	<u>ACQUIRED</u>	<u>LIFE</u>	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>NET</u>	<u>DEPRECIATION</u>
<u>IMPROVEMENTS OTHER THAN BUILDING</u>						
Water Distribution System	5-1-01	50	\$ 2,481.70	\$ 372.23	\$ 2,109.47	\$ 49.63
Water Meters	2001	10	3,338.10	2,503.58	834.52	333.81
Water System	1979	50	157,147.00	109,086.48	48,060.52	3,140.44
Water Lines	1993	25	4,236.38	2,626.63	1,609.75	169.46
Booster Pump, Stations and Water Well	2000	50	394,522.01	66,917.18	327,604.83	7,890.44
Water Distribution and Fire Protection	2000	50	275,118.30	46,770.14	228,348.16	5,502.37
72" X 288" Pressure Tank	2006	10	15,171.48	2,275.72	12,895.76	1,517.15
Total			<u>\$ 852,014.97</u>	<u>\$ 230,551.96</u>	<u>\$ 621,463.01</u>	<u>\$ 18,603.30</u>
<u>STORAGE BUILDING</u>	2001	20	\$ 16,070.00	\$ 6,026.25	\$ 10,043.75	\$ 803.50
<u>MACHINERY AND EQUIPMENT</u>						
EQUIPMENT		10	\$ 9,964.00	\$ 6,659.13	\$ 3,304.87	\$ 429.99
<u>GRAND TOTAL</u>			<u>\$ 878,048.97</u>	<u>\$ 243,237.34</u>	<u>\$ 634,811.63</u>	<u>\$ 19,836.79</u>

See accountants' report.

SCHEDULE D

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2008

<u>INSURANCE COMPANY</u>	<u>POLICY</u>	<u>DATE</u>	<u>COVERAGE TYPE</u>	<u>AMOUNT</u>	<u>PREMIUM</u>
La. Municipal Risk Mgt.	100-0370-00012182	03-29-08 03-29-11	General Liability Each Occurrence	\$ 500,000.00	\$ 2,136.00
La. Municipal Risk Mgt.	70-0327-00011783	03-29-07 03-29-10	Workmen's Compensation Each Accident Each Disease Disease Aggregate	\$ 100,000.00 100,000.00 500,000.00	\$ 1,476.95
La. Municipal Risk Mgt.	100-0370-00012182	03-29-08 03-29-11	Business Auto Policy Liability each accident	\$ 500,000.00	\$ 1,281.00
La. Municipal Risk Mgt.	100-0370-00012182	03-29-08 03-29-11	Professional Liability for Police/Each Occurrence	\$ 500,000.00	\$ 2,050.00
La. Municipal Risk Mgt.	100-0370-00012182	03-29-08 03-29-11	Public Officials Errors & Omissions Liability Each Occurrence	\$ 500,000.00	\$ 1,317.00
Essex/Audubon	6CB-7167	03-29-08 03-29-09	Commercial Auto Physical Damage 2006 Crown Vic 1993 Dodge Pickup	\$ 24,312.00 1,000.00	\$ 763.35
EMC Insurance	2A9-95-23	10-28-08 10-28-09	Commercial Property Building Business Property	\$ 84,365.00 20,800.00	\$ 685.90

See accountants' report.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
GENERAL FIXED ASSETS
JUNE 30, 2008

SCHEDULE E

	<u>LIFE</u>	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>NET BOOK VALUE</u>
<u>GENERAL OFFICE</u>				
Buildings	20 - 30	\$ 33,793.00	\$ 13,523.50	\$ 20,269.50
Equipment	5 - 10	7,483.59	7,297.28	186.31
Improvements	50	49,269.09	641.45	48,627.64
Land		<u>3,291.00</u>	<u>.00</u>	<u>3,291.00</u>
Total		<u>\$ 93,836.68</u>	<u>\$ 21,462.23</u>	<u>\$ 72,374.45</u>
<u>POLICE DEPARTMENT</u>				
Equipment	5	<u>\$ 32,572.86</u>	<u>\$ 18,035.48</u>	<u>\$ 14,537.38</u>
<u>STREET DEPARTMENT</u>				
Equipment	7 - 10	\$ 21,500.24	\$ 18,647.62	\$ 2,852.62
Infrastructure - Streets	40	<u>297,480.47</u>	<u>3,402.39</u>	<u>294,078.08</u>
Total		<u>\$ 318,980.71</u>	<u>\$ 22,050.01</u>	<u>\$ 296,930.70</u>
<u>GRAND TOTAL</u>		<u>\$ 445,390.25</u>	<u>\$ 61,547.72</u>	<u>\$ 383,842.53</u>

See accountants' report.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
PROPRIETARY FUND
CHANGES IN FUND NET ASSETS- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

SCHEDULE F

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 44,350.00	\$ 47,779.48	\$ 3,429.48
Miscellaneous	.00	1,159.80	1,159.80
Total Operating Revenues	<u>\$ 44,350.00</u>	<u>\$ 48,939.28</u>	<u>\$ 4,589.28</u>
<u>OPERATING EXPENSES</u>			
Salaries and Employee Benefits	\$ 8,800.00	\$ 7,677.39	\$ 122.61
Office Supplies	1,000.00	1,275.66	(575.66)
Professional Fees	.00	2,031.58	468.42
Repairs and Maintenance	3,000.00	5,751.69	(3,251.69)
Sales Taxes	200.00	103.00	97.00
Utilities and Telephone	7,000.00	3,078.67	3,521.33
Depreciation and Amortization	18,000.00	19,836.79	(1,836.79)
Water Chlorination	1,000.00	535.23	164.77
Insurance	2,000.00	1,823.60	176.40
Total Operating Expenses	<u>\$ 41,000.00</u>	<u>\$ 42,113.61</u>	<u>\$ (1,113.61)</u>
<u>NET OPERATING INCOME (LOSS)</u>	<u>\$ 3,350.00</u>	<u>\$ 6,825.67</u>	<u>\$ 3,475.67</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Investment Interest	\$ 650.00	\$ 2,117.91	\$ 1,467.91
Interest Expenses	.00	(11,086.41)	(11,086.41)
Total Non-operating Revenues (Expenses)	<u>\$ 650.00</u>	<u>\$ (8,968.50)</u>	<u>\$ (9,618.50)</u>
<u>NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</u>	<u>\$ 4,000.00</u>	<u>\$ (2,142.83)</u>	<u>\$ (6,142.83)</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>495,607.26</u>	<u>495,607.26</u>	<u>.00</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 499,607.26</u>	<u>\$ 493,464.43</u>	<u>\$ (6,142.83)</u>

See accountants' report.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
PROJECTED
CHANGES IN BUDGETED FUND NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

SCHEDULE G

<u>OPERATING REVENUES</u>	<u>2009</u>
Charges for Services	\$ 47,350.00
Miscellaneous	.00
Total Operating Revenues	<u>\$ 47,350.00</u>
<u>OPERATING EXPENSES</u>	
Salaries and Employee Benefits	\$ 7,800.00
Office Supplies	700.00
Professional Fees	3,500.00
Repairs and Maintenance	2,500.00
Sales Taxes	200.00
Utilities and Telephone	6,600.00
Depreciation and Amortization	18,000.00
Water Chlorination	700.00
Insurance	2,000.00
Total Operating Expenses	<u>\$ 42,000.00</u>
<u>NET OPERATING INCOME (LOSS)</u>	<u>\$ 5,350.00</u>
<u>NON-OPERATING REVENUES</u>	
<u>(EXPENSES)</u>	
Investment Interest	\$ 650.00
Interest Expenses	.00
Total Non-operating Revenues (Expenses)	<u>\$ 650.00</u>
<u>NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</u>	<u>\$ 6,000.00</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>493,464.43</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 499,464.43</u>

See accountants' report.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
SCHEDULE OF BONDS PAYABLE - WATER FUND
JUNE 30, 2008

SCHEDULE H

1972 NON-MAJOR DEBT

<u>YEAR ENDING JUNE 30</u>	<u>PRINCIPLE</u>	<u>INTEREST</u>	<u>TOTAL PAYMENTS</u>
2009	\$ 7,000.00	\$ 1,500.00	\$ 8,500.00
2010	7,000.00	1,150.00	8,150.00
2011	7,000.00	800.00	8,800.00
2012	8,000.00	400.00	8,400.00
Total	<u>\$ 30,000.00</u>	<u>\$ 3,850.00</u>	<u>\$ 33,850.00</u>

2001 NON-MAJOR DEBT

<u>YEAR ENDING JUNE 30</u>	<u>PRINCIPLE</u>	<u>INTEREST</u>	<u>TOTAL PAYMENTS</u>
2009	\$ 2,846.41	\$ 9,279.59	\$ 12,126.00
2010	2,984.57	9,141.43	12,126.00
2011	3,129.46	8,996.54	12,126.00
2012	3,281.42	8,844.58	12,126.00
2013	3,440.72	8,685.28	12,126.00
2014 - 2018	19,877.36	40,752.64	60,630.00
2019 - 2023	25,194.22	35,435.78	60,630.00
2024 - 2028	31,933.14	28,696.86	60,630.00
2029 - 2033	40,474.64	20,155.36	60,630.00
2034 - 2039	63,491.54	9,653.51	73,145.05
Total	<u>\$ 196,653.48</u>	<u>\$ 179,641.57</u>	<u>\$ 376,295.05</u>
<u>TOTAL BOND DEBT</u>	<u>\$ 226,653.48</u>	<u>\$ 183,491.57</u>	<u>\$ 410,145.05</u>

See accountants' report.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
WATER DEPARTMENT BILLING RATES AND OTHER STATISTICS
JUNE 30, 2008

SCHEDULE I

The aged accounts receivables for the Utility System are:

<u>TOTAL</u>	<u>CURRENT</u>	<u>30 DAYS</u>	<u>60 DAYS</u>	<u>90 DAYS OR OVER</u>
\$ 5,167.33	\$ 3,801.19	\$ 1,017.44	\$ 266.40	\$ 82.30

The Village has \$318.13 in bad debts for a net receivable of \$4,849.20.

RATES

RESIDENTIAL

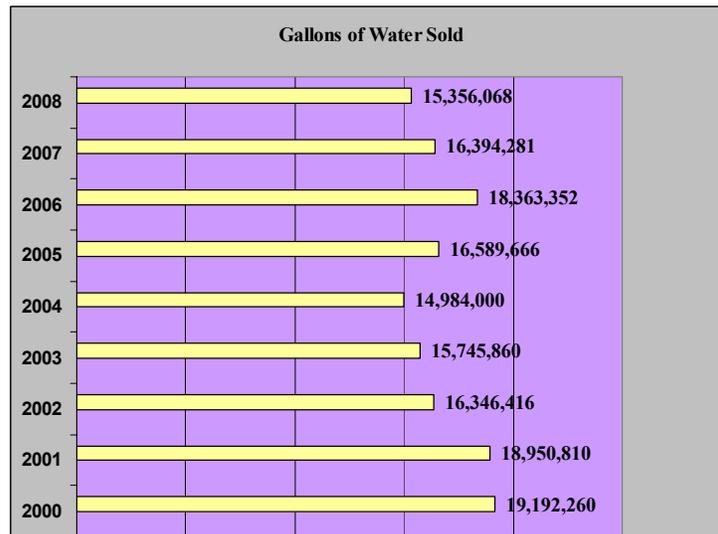
<u>GALLONS</u>	<u>AMOUNT</u>
0 - 2,000 Gallons	\$ 10.00
Over 2,000 Gallons	\$ 1.50 Per Thousand Gallons

COMMERCIAL

<u>GALLONS</u>	<u>AMOUNT</u>
0 - 12,000 Gallons	\$ 21.50
Over 12,000 Gallons	\$ 1.50 Per Thousand Gallons

The estimated water usage for this year is 15,356,068 gallons. The population of the Village is 211 with 93 housing units inside the city limits. The water system services customers who do not reside inside the Village's limits.

Water sold for the years 2000 - 2008 is:



<u>YEAR</u>	<u>GALLONS OF WATER USED</u>
2000	19,192,260
2001	18,950,810
2002	16,346,416
2003	15,745,860
2004	14,984,000
2005	16,589,666
2006	18,363,352
2007	16,394,281
2008	15,356,068

See accountants' report.

CURRENT YEAR FINDINGS AND CORRECTIVE ACTION PLAN

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
SUMMARY OF SCHEDULE OF CURRENT YEAR FINDINGS
AND CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2008

<u>REF. NO.</u>	<u>FISCAL YEAR FINDING INITIALLY OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE ACTION TAKEN</u>	<u>CORRECTIVE ACTION PLANNED</u>	<u>NAME OF CONTACT PERSON</u>	<u>ANTICIPATED COMPLETION DATE</u>
<u>INTERNAL CONTROL</u>						
04-1(IC)	2004	Due to the small number of employees, the Village of McNary did not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	No response is considered necessary	Margie Holden, Village Clerk	N/A
08-1(IC)	2008	The Village is required to adopt their budget by ordinance as required by the Lawrason Act. The Village did not follow this procedure.	None	All future budgets, as well as, amendments will follow this procedure in the future.	Margie Holden, Village Clerk	May 2009

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 2896
TELEPHONE 322-8106
FAX 387-5015
MONROE, LOUISIANA 71207-2896

Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

The Honorable Donald Parker II, Mayor
and Members of the Board of Aldermen and Alderwomen
Village of McNary
Glenmora, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Village of McNary, Glenmora, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Village of McNary, Glenmora, Louisiana compliance with certain laws and regulations during the year ended June 30, 2008 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for 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 exceeding \$20,000.

The public bid law requirements were followed for the street capital project.

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 interest of all board members and employees, as well as their immediate families.

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

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

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure 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 us with the original budget for 2007-2008. The budget was not amended.

6. Trace the budget adoption to the minute book.

We traced the adopted original budget for 2007-2008 to approval in the minutes.

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 and if actual expenditures exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues met budgeted revenues for the year within 5% and actual expenditures met budgeted expenditures within 5% within each department.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:
 - a. trace payments to supporting documentation as to proper amount and payee;

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

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

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

- c. determine whether payments received approval from proper authorities.

The payments received proper approvals.

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 McNary is only required to post a notice of each meeting and accompanying agenda on the door of the entity's office building. They advertise each meeting in the local newspaper. A notice is attached to the door to their office. We found no evidence of noncompliance.

Debt

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

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

Advances and Bonuses

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

We read minutes of the entity for the year and noted no approval of any of the payments noted above. We also inspected payroll records for the year and noted no instances which would indicate that payments to employees would constitute bonuses, advances, or gifts.

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

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

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell

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

12/22/2008 (Date Transmitted)

Village of McNary
P. O. Box 1197
Glenmora, LA 71433
Marcus, Robinson and Hassell (Auditors)

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

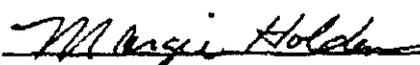
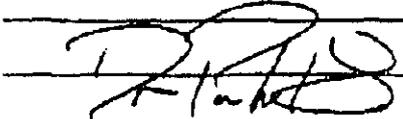
Advances and Bonuses

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.

	<i>CLERK</i> Secretary	12/22/08	Date
_____	Treasurer	12/22/08	Date
	President	12/22/08	Date