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**CITY OF DONALDSONVILLE, LOUISIANA**

**FINANCIAL REPORT**

**June 30, 2008**

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 2/4/09

**Waguespack & Gallagher, LLC**

*Certified Public Accountants • Business Advisors*

Post Office Box 250

Napoleonville, Louisiana 70390

(985) 369-2515

**CITY OF DONALDSONVILLE, LOUISIANA**

**FINANCIAL REPORT**

**June 30, 2008**

CITY OF DONALDSONVILLE, LOUISIANA

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## CITY OF DONALDSONVILLE, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008

This section of the City's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2008. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

#### FINANCIAL HIGHLIGHTS

- The City's combined total net assets decreased by \$52,345 or .97% over the course of this year's operations. Net assets of our governmental activities increased \$21,520 and decreased \$73,866 in the net assets of our business-type activities.
- During the year, the City's governmental expenses were \$21,520 less than the \$4.49 million generated in charges for services, taxes, and other revenue. In the City's business-type activities expenses were \$73,866 more than the \$2.44 million generated in revenues.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*, such as water and sewer system.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, which are added together and presented in single columns in the basic financial statements.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

**CITY OF DONALDSONVILLE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2008**

<b>Figure A-1 Major Features of City's Government and Fund Financial Statements</b>			
	<b>Fund Statements</b>		
	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>
<b>Scope</b>	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as police, fire, and streets	Activities the City operates similar to private businesses: the water and sewer system
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>▪ Statement of net assets</li> <li>▪ Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance Sheet</li> <li>▪ Statement of revenues, expenditures, and changes in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of net assets</li> <li>▪ Statement of revenues, expenditures, and changes in net assets</li> <li>▪ Statement of cash flows</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

**Government-wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net assets—the difference between the City's assets and liabilities—is one way to measure the City's financial health, or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

## CITY OF DONALDSONVILLE, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2008

The government-wide financial statements of the City are divided into two categories:

- **Governmental activities**—most of the City's basic services are included here, such as the police, fire, public works, parks department, and general administration. Property taxes, sales taxes, franchise fees and interest finance most of these activities.
- **Business-type activities**—The City charges fees to customers to help it cover the costs of certain services it provides. The City's water and sewer system are included here.

#### **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant funds—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

The City has two kinds of funds:

- **Governmental funds**—Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- **Proprietary funds**—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information.
  - In fact, the City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

**CITY OF DONALDSONVILLE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2008**

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The City's combined net assets increased between fiscal years 2007 and 2008 to approximately \$5.40 million. (See Table A-1)

<b>Table A-1</b>				
<b>City's Net Assets</b>				
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Current and other assets	\$ 931,051	\$ 1,163,393	\$ 1,384,007	\$ 1,311,752
Bond Issue Costs	20,917	23,378	-	-
Capital assets	4,303,147	4,193,659	2,413,036	2,675,504
<b>Total assets</b>	<b>5,255,115</b>	<b>5,380,430</b>	<b>3,797,043</b>	<b>3,987,256</b>
Current liabilities	388,980	388,816	339,660	280,396
Long term liabilities	1,508,000	1,655,000	1,464,857	1,640,468
<b>Total liabilities</b>	<b>1,896,980</b>	<b>2,043,816</b>	<b>1,804,517</b>	<b>1,920,864</b>
Net assets				
Prior Period Adjustment	-	(6,392)	-	-
Invested in capital assets, net of related debt	2,648,147	2,450,659	980,036	1,063,504
Reserved for debt service	203,288	369,767	198,504	203,539
Unrestricted (deficit)	506,700	522,580	813,986	799,349
<b>Total net assets</b>	<b>\$ 3,358,135</b>	<b>\$ 3,336,614</b>	<b>\$ 1,992,526</b>	<b>\$ 2,066,392</b>

Net assets of the City's governmental activities increased to approximately \$3.36 million. Net assets of the City's business-type activities decreased to approximately \$1.99 million.

**CITY OF DONALDSONVILLE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2008**

**Changes in net assets.** The City's total revenues increased by approximately \$150,000 to \$6.85 million (See Table A-2.) Approximately 41.5 percent of the City's revenue comes from charges for services, 37 percent comes from tax collections and 13.5 percent is from various local and federal grants.

The total cost of all programs and services increased approximately \$354,000. The City's expenses cover all services performed by its office.

**Governmental Activities**

Revenues for the City's governmental activities decreased 1.98 percent, while total expenses decreased .34 percent.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Revenues</b>				
<b>Program revenues</b>				
Charges for services	\$ 405,347	\$ 372,730	\$ 2,440,728	\$ 2,293,063
Grants	896,226	1,074,987	26,040	-
<b>General revenues</b>				
Taxes	2,529,098	2,510,267	-	-
Licenses and permits	282,429	293,459	-	-
Fines	56,841	60,679	-	-
Miscellaneous	132,517	77,029	84,583	21,628
<b>Total Revenues</b>	<b>4,302,458</b>	<b>4,389,151</b>	<b>2,551,351</b>	<b>2,314,691</b>
<b>Expenses</b>				
General government	1,101,483	1,010,026	-	-
Public safety	1,524,114	1,413,253	-	-
Streets	498,180	982,619	-	-
Sanitation	575,969	33,258	-	-
Recreation	143,484	156,264	-	-
HUD	543,581	525,131	-	-
Administration	-	-	2,445,791	2,341,445
Net interest expense	85,609	42,192	(12,056)	26,261
Net transfers (in)/out	(191,482)	111,128	191,482	(111,128)
Debt service expenditures	-	21,805	-	-
<b>Total Expenses</b>	<b>4,280,938</b>	<b>4,295,676</b>	<b>2,625,217</b>	<b>2,256,578</b>
<b>Increase (decrease) in net assets</b>	<b>\$ 21,520</b>	<b>\$ 93,475</b>	<b>\$ (73,866)</b>	<b>\$ 58,113</b>

**Business-type Activities**

Revenues increased by approximately 10.2 percent to \$2,551,351 and expenses of the City's business-type activities increased by 16.3 percent to \$2,625,217.

**CITY OF DONALDSONVILLE, LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2008**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As the City completed the year, its governmental funds reported a combined fund balance of \$731,263, a decrease of approximately 19.2 percent from last year.

**General Fund Budgetary Highlights**

Over the course of the year, the City Council revised its budget. These budget amendments included an adjustment for funds received from grants received for various other state and parish agencies

With these adjustments, actual revenues were approximately \$204,272 under final budget amounts.

**CAPITAL ASSETS**

At the end of 2008, the City had approximately \$6.72 million in a broad range of capital assets, including buildings, vehicles, and gas and sewer systems. (See Table A-3) This amount represents a net increase (including additions and deductions) of approximately \$534,548, which is mostly the result of the major street repairs and the purchase of a street sweeper and vehicles.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Land	\$ 911,548	\$ 911,548	\$ 1,500	\$ 1,500
Gas, Plant & Sewer system	-	-	2,312,345	2,614,044
Construction in progress	58,303	58,303	65,254	20,000
Buildings & improvements	1,670,119	1,555,971	-	-
Equipment	1,663,177	1,667,837	33,937	39,962
<b>Total</b>	<b>\$ 4,303,147</b>	<b>\$ 4,193,659</b>	<b>\$ 2,413,036</b>	<b>\$ 2,675,506</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's major sources of revenue for the general fund are comprised of property taxes, occupational licenses, and franchise fees. Revenue increases are expected in the public utility revenue fund as a result of the effects of the increase in the rate schedule. All expenditures are expected to be consistent with the current years.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Sandra Cost, Finance Director, at 609 Railroad Avenue, Donaldsonville, LA 70346, phone # 225 473-4247 Ext. 14.

# Waguespack & Gallagher, LLC

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS ADVISORS

Post Office Box 250

Napoleonville, LA 70390

Michael J. Waguespack, CPA, PC

Timothy J. Gallagher, CPA, PC

Phone (985) 369-2515

Fax (985) 369-2535

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Tia T. Barbera, CPA

Bryce A. Ledet, CPA

Sarah M. Gallagher, CPA

Elaine T. Waguespack, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members  
of the Commission Council  
City of Donaldsonville, Louisiana

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Donaldsonville, Louisiana (the City) as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Donaldsonville, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, of those activities and funds and the budgetary comparison presented as Other Required Supplementary Information for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2008, on our consideration of the City of Donaldsonville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the other required supplementary information, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. For the Management's Discussion and Analysis, we have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The budgetary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules described in the Table of Contents as Other Supplementary Schedules and the Schedule of Expenditures of Federal awards, which is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of Donaldsonville. Such information, except for the portion marked "unaudited" on which we express no opinion, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wagnerpack + Sallagher, LLC

December 17, 2008

Napoleonville, Louisiana

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

**CITY OF DONALDSONVILLE, LOUISIANA**

Exhibit 1

**GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
JUNE 30, 2008**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 396,481	\$ 196,124	\$ 592,605
Certificate of deposit	-	36,000	36,000
Receivables:			
Accounts receivables, net	37,221	229,921	267,142
Due from others	420	-	420
Due from other governments	330,685	-	330,685
Internal balances	(23,223)	23,223	-
Total current assets	<u>741,584</u>	<u>485,268</u>	<u>1,226,852</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	189,467	898,739	1,088,206
Bond issue costs, net	20,917	-	20,917
Capital assets, net	4,303,147	2,413,036	6,716,183
Total noncurrent assets	<u>4,513,531</u>	<u>3,311,775</u>	<u>7,825,306</u>
Total assets	<u>5,255,115</u>	<u>3,797,043</u>	<u>9,052,158</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and other payables	241,980	181,660	423,640
Long term debt (current portion)	147,000	158,000	305,000
Total current liabilities	<u>388,980</u>	<u>339,660</u>	<u>728,640</u>
Noncurrent liabilities:			
Customer deposit	-	189,857	189,857
Long term debt payable	1,508,000	1,275,000	2,783,000
Total noncurrent liabilities	<u>1,508,000</u>	<u>1,464,857</u>	<u>2,972,857</u>
Total liabilities	<u>1,896,980</u>	<u>1,804,517</u>	<u>3,701,497</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	2,648,147	980,036	3,628,183
Restricted for debt service	203,288	198,504	401,792
Unrestricted	506,700	813,986	1,320,686
Total net assets	<u>\$ 3,358,135</u>	<u>\$ 1,992,526</u>	<u>\$ 5,350,661</u>

See notes to financial statements.

**CITY OF DONALDSONVILLE, LOUISIANA**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2008**

	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Government activities:</b>							
General government	\$ 1,101,483	\$ 744,617	\$ 44,866	\$ 134,392	\$ (177,608)	\$ -	\$ (177,608)
Public safety:							
Police	864,534	-	-	-	(864,534)	-	(864,534)
Fire	659,580	-	167,777	2,100	(489,703)	-	(489,703)
Streets	498,180	-	-	-	(498,180)	-	(498,180)
Recreation	143,484	-	-	-	(143,484)	-	(143,484)
Sanitation	575,969	-	-	-	(575,969)	-	(575,969)
Welfare	543,581	-	547,091	-	3,510	-	3,510
Interest on long-term debt	85,609	-	-	-	(85,609)	-	(85,609)
Total governmental activities	<u>4,472,420</u>	<u>744,617</u>	<u>759,734</u>	<u>136,492</u>	<u>(2,831,577)</u>	<u>-</u>	<u>(2,831,577)</u>
<b>Business-type activities:</b>							
Gas	1,503,834	1,468,264	-	-	-	(35,570)	(35,570)
Sewer	941,957	972,464	26,040	-	-	56,547	56,547
Total business-type activities	<u>2,445,791</u>	<u>2,440,728</u>	<u>26,040</u>	<u>-</u>	<u>-</u>	<u>20,977</u>	<u>20,977</u>
<b>Total</b>	<b>\$ 6,918,211</b>	<b>\$ 3,185,345</b>	<b>\$ 785,774</b>	<b>\$ 136,492</b>	<b>\$ (2,831,577)</b>	<b>\$ 20,977</b>	<b>\$ (2,810,600)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Sales and use taxes, levied for general purposes					\$ 1,959,982	\$ -	\$ 1,959,982
Franchise taxes					305,356	-	305,356
Property taxes, levied for bond retirement					263,760	-	263,760
Fire insurance rebate					17,207	-	17,207
La Corrections revenues					17,826	-	17,826
Interest and investment earnings					498	12,056	12,554
Miscellaneous					96,986	84,583	181,569
Transfers					191,482	(191,482)	-
Total general revenues and transfers					<u>2,853,097</u>	<u>(94,843)</u>	<u>2,758,254</u>
Change in net assets					21,520	(73,866)	(52,346)
Net assets - July 1, 2007					3,336,615	2,066,392	5,403,007
Net assets - June 30, 2008					<u>\$ 3,358,135</u>	<u>\$ 1,992,526</u>	<u>\$ 5,350,661</u>

See notes to financial statements.

**FUND FINANCIAL STATEMENTS**

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 3

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2008

	General	Sales Tax	Section 8	Law Enforcement	Other Governmental Funds	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ 232,609	\$ 20,659	\$ 36,182	\$ 73,698	\$ 222,800	\$ 585,948
Receivables:						
Accounts receivable, net	-	17,184	-	20,037	-	37,221
Due from other governments	101,096	177,825	51,764	-	-	330,685
Due from others	-	-	420	-	-	420
Due from other funds	174,335	40,189	9,829	10,625	11,275	246,253
Total assets	\$ 508,040	\$ 255,857	\$ 98,195	\$ 104,360	\$ 234,075	\$ 1,200,527
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	90,487	47,902	120	-	-	138,509
Accrued payables	61,279	-	-	-	-	61,279
Due to other funds	20,673	135,741	-	90,164	22,898	269,476
Total liabilities	172,439	183,643	120	90,164	22,898	469,264
Fund balances:						
Restricted for debt service	-	-	-	-	203,288	203,288
Unreserved, undesignated	335,601	72,214	98,075	14,196	7,889	527,975
Total fund balance	335,601	72,214	98,075	14,196	211,177	731,263
Total liabilities and fund balance	\$ 508,040	\$ 255,857	\$ 98,195	\$ 104,360	\$ 234,075	\$ 1,200,527

See notes to financial statements.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 4

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2008

Total fund balance for governmental funds		\$	731,263
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the Governmental Funds Balance Sheet:			
Land	\$	911,548	
Building, net of \$1,084,296 accumulated depreciation		1,670,119	
Equipment, net of \$1,178,245 accumulated depreciation		1,663,177	
Construction in progress		<u>58,303</u>	
			4,303,147
Bond issue costs, net of \$2,870 accumulated amortization			20,918
Elimination of interfund assets and liabilities			
Due from other funds		(111,285)	
Due to other funds		<u>111,285</u>	
			-
Accrued interest			(42,193)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet:			
Bonds payable			<u>(1,655,000)</u>
Net assets of governmental activities		\$	<u><u>3,358,135</u></u>

See notes to financial statements.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2008

	General	Sales Tax	Section 8	Law Enforcement	Other Governmental Funds	Totals
<b>REVENUES</b>						
Taxes	\$ 569,116	\$ 1,959,982	-	-	-	\$ 2,529,098
Licenses and permits	282,429	-	-	-	-	282,429
Intergovernmental	400,420	-	547,091	-	-	947,511
Fines	56,841	-	-	-	-	56,841
Charges for services	-	189,438	-	215,909	-	405,347
Other	79,762	566	-	542	372	81,242
<b>Total revenues</b>	<b>\$ 1,388,568</b>	<b>\$ 2,149,986</b>	<b>\$ 547,091</b>	<b>\$ 216,451</b>	<b>\$ 372</b>	<b>\$ 4,302,468</b>
<b>EXPENDITURES</b>						
General government	818,729	-	-	-	-	818,729
Public safety	710,874	-	-	857,151	-	1,568,025
Streets	794,969	-	-	-	-	794,969
Sanitation	25,487	550,482	-	-	-	575,969
Recreation	192,574	-	-	-	-	192,574
Welfare	-	-	543,581	-	-	543,581
Debt Service	-	-	-	-	173,609	173,609
<b>Total expenditures</b>	<b>2,542,633</b>	<b>550,482</b>	<b>543,581</b>	<b>857,151</b>	<b>173,609</b>	<b>4,667,456</b>
Excess of revenues over (under) expenditures	\$ (1,154,065)	\$ 1,599,504	\$ 3,510	\$ (640,700)	\$ (173,237)	\$ (364,988)
<b>OTHER FINANCING SOURCES (USED)</b>						
Operating transfers in	1,625,620	-	-	645,750	330,895	2,602,265
Operating transfers out	(487,995)	(1,598,668)	-	-	(324,120)	(2,410,783)
<b>Total other financing sources (uses)</b>	<b>\$ 1,137,625</b>	<b>\$ (1,598,668)</b>	<b>\$ -</b>	<b>\$ 645,750</b>	<b>\$ 6,775</b>	<b>\$ 191,482</b>
Net changes in fund balances	(16,440)	836	3,510	5,050	(166,462)	(173,506)
Fund balances beginning of year	352,041	71,378	94,565	9,146	377,639	904,769
Fund balances end of year	\$ 335,601	\$ 72,214	\$ 98,075	\$ 14,196	\$ 211,177	\$ 731,263

See notes to financial statements.

**CITY OF DONALDSONVILLE, LOUISIANA**

Exhibit 6

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2008**

Net changes in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (173,506)
Amounts reported for governmental activities in the statement of activities is different because:		
<p>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.</p>		
Capital outlay which is considered expenditures of Statement of Revenues, Expenditures, and Changes in Fund Balances	476,204	
Amortization expense	(2,461)	
Depreciation expense	<u>(366,717)</u>	
		107,026
<p>Governmental funds report bonded debt receipts as income. However this receipt does not appear in the statement of activities since the receipt creates a new bond payable on the statement of net assets.</p>		
<p>Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable balance on the statement of net assets</p>		
		88,000
Less: Accrued interest on general fund debt		<u>-</u>
Changes in net assets of Governmental Activities		<u><u>\$ 21,520</u></u>

See notes to financial statements.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 7

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2008

	Business-Type Activities Enterprise Funds
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 196,124
Certificates of deposit	36,000
Accounts receivable, net	229,921
Due from other funds	223,133
Total current assets	<u>685,178</u>
<b>RESTRICTED ASSETS</b>	
Cash and cash equivalents - customer deposits	285,087
Cash-bond reserve fund	315,374
Cash-capital improvements, equipment and contingencies fund	264,278
Certificates of deposit-bond reserve fund	34,000
Total restricted assets	<u>898,739</u>
<b>OTHER ASSETS</b>	
Fixed assets, net	<u>2,413,036</u>
Total other assets	<u>2,413,036</u>
Total assets	<u>\$ 3,996,953</u>
<b>LIABILITIES</b>	
Payable from current assets:	
Accounts payable	\$ 140,900
Accrued payables	40,760
Due to other funds	199,910
Long-term debt	158,000
Payable from restricted assets:	
Customer deposits	189,857
Long-term debt	1,275,000
Total Liabilities	<u>2,004,427</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	980,036
Restricted for debt service	198,504
Unrestricted	813,986
Total net assets	<u>\$ 1,992,526</u>

See notes to financial statements.

**CITY OF DONALDSONVILLE, LOUISIANA**

Exhibit 8

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2008**

	Business-Type Activities Enterprise Funds
<b>OPERATING REVENUES</b>	
Charges for services	\$ 2,440,728
Other	110,623
Total operating revenues	<u>2,551,351</u>
<b>OPERATING EXPENSES</b>	
Gas	1,014,632
Depreciation	320,812
Field	780,725
Administration	291,140
Total operating expenses	<u>2,407,309</u>
Operating income/(loss)	<u>144,042</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest	12,056
Interest and fiscal charges	<u>(38,482)</u>
Total non-operating revenues (expenses)	<u>(26,426)</u>
Income (loss) before operating transfers	<u>117,616</u>
<b>OPERATING TRANSFERS</b>	
Operating transfers in	132,718
Operating transfers out	<u>(324,200)</u>
Net operating transfers	<u>(191,482)</u>
<b>CHANGE IN NET ASSETS</b>	(73,866)
<b>NET ASSETS</b>	
Beginning of year	<u>2,066,392</u>
End of year	<u>\$ 1,992,526</u>

See notes to financial statements.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 9

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2008**

	Business-Type Activities <u>Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Received from Customers	\$ 2,513,414
Cash Received from Customer Deposits	5,390
Cash Payments to Suppliers for Goods and Services	(1,663,433)
Cash Payments to Employees	(365,804)
Cash Loans from Other Funds	151,054
	<hr/>
Net Cash Provided by Operating Activities	640,621
	<hr/>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Transfers to Other Funds	(191,482)
	<hr/>
Net Cash Used for Non-Capital Financing Activities	(191,482)
	<hr/>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Interest and Fiscal Charges on Capital Debt	(38,482)
Principal Paid on Capital Debt	(179,000)
Acquisition of Capital Assets	(58,341)
	<hr/>
Net Cash Used for Capital and Related Financing Activities	(275,823)
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Income	12,057
	<hr/>
Net Cash Provided by Investing Activities	12,057
	<hr/>
Net Increase/(Decrease) in Cash	185,373
Cash at Beginning of Year	875,490
	<hr/>
Cash at End of Year	\$ 1,060,863
	<hr/>

See notes to financial statements.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 9

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2008

	<u>Business-Type Activities Enterprise Funds</u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Income/(Loss) from Operations	\$ 144,042
<b>ADJUSTMENTS TO RECONCILE INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Depreciation	320,812
Change in Operating Assets and Liabilities:	
Accounts Receivable	(37,937)
Accounts Payable	52,865
Accrued Payables	4,395
Due to Other Funds	151,054
Customer Deposits	5,390
Net Cash Provided by Operating Activities	<u>640,621</u>
<b>RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS</b>	
Current Assets-	
Cash & Cash Equivalents	196,124
Restricted Assets-	
Cash & Cash Equivalents	<u>864,739</u>
Total Cash & Cash Equivalents	<u>\$ 1,060,863</u>

See notes to financial statements.

# CITY OF DONALDSONVILLE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008

### INTRODUCTION

The City of Donaldsonville, Louisiana (the City) was founded in 1807 and incorporated February 11, 1975 by their home rule charter, under the authority of Article VI, section 5 of the Louisiana Constitution of 1974. The municipal government provided by this home rule charter shall be known as the "Commission" form of government and provides the following services as authorized by its charter: police and fire protection, streets and drainage, parks and recreation, certain social services, and general administration services. The City owns and operates one two enterprise activities, consisting of a gas utility fund and a sewer utility fund which provide gas and sewer services to the citizens of the City

### NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Donaldsonville have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless the pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The more significant of the City's accounting policies are described below.

#### Reporting Entity

The reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are described below.

1. A potential component unit must have separate corporate powers that distinguish it as being legally separate from the primary government. These include the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued in its own name without recourse to a state or local government, and the right to buy, sell, lease and mortgage property in its own name.
2. The primary government must be financially accountable for a potential component unit. Financial accountability may exist as a result of the primary government appointing a voting majority of the potential component unit's governing body; their ability to impose their will on the potential component unit by significantly influencing the programs, projects, activities, or level of services performed by or provided by the potential component unit; or the existence of a financial benefit or burden. In addition, financial accountability may also exist as a result of a potential component unit being fiscally dependent on the primary government.

In some instances, the potential component unit should be included in the reporting entity (even when the criteria in No. 2 above are not met), if exclusion would render the reporting entity's financial statements incomplete or misleading.

Based on this criteria, management has determined that the City does not have any other reporting entity that should be considered a component unit as required by generally accepted accounting principles. There are two related organizations that were determined not to be a component unit:

Donaldsonville Housing Authority's (the Authority) operating and capital expenditures, including debt service, are financed from federal grants and tenant rentals. The City has no involvement in the determination of the Authority's budget, rental rates, or any obligation for the Authority's outstanding debt. Financial transactions between the City and the Authority, reported in the accompanying financial statements, reflect contractual agreements between the parties for the provision of specific services by the City for the Authority.

# CITY OF DONALDSONVILLE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008

### NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Industrial Development Board of the City of Donaldsonville, Louisiana, Inc. (Development Board) is a legally separate entity whose board is appointed by the City of Donaldsonville council. However, there is no potential for the Development Board to impose a financial burden on the City, and the potential for the Development Board to provide specific financial benefit to the City is not likely.

This report includes all funds which are controlled by the City of Donaldsonville. The City is not included in any other governmental "reporting entity" as defined by the GASB pronouncement.

#### Basis of Presentation

##### Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the primary government. They include all funds of the reporting entity except for fiduciary funds. For the most part, 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.

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 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.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

##### Fund Financial Statements

Fund financial statements of the City of Donaldsonville are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the City are described below:

##### Governmental Funds-

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

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

Proprietary Funds

Enterprise Funds – Enterprise Funds are used to account for operations, (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered 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. The City’s proprietary funds are used to account for sewer and gas utility charges to its citizens.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Basis of Accounting / Measurement Focus**

Governmental and fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the Statement of Net Assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets.

Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows, including unbilled water and sewer services. Grants and similar items are recognized as 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. Sales taxes are considered as “measurable” when in the hands of the Sales Tax Collector, and are recognized as revenue at that time. Ad Valorem taxes are recognized as revenue in the year for which budgeted, that is in the year in which such taxes are billed and collected. 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Other major revenues that are considered susceptible to accrual include earned grant revenues, charges for services, and interest earned on investments. Franchise fees, licenses and permits, and court fines are recognized when received because they are not objectively measurable.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

The City reports the following major governmental funds:

General Fund-To account for resources traditionally associated with the governments that are not required to be accounted for in another fund.

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Law Enforcement Special Revenue Fund – To account for the revenues and expenditures associated with the City's law enforcement.

Sales Tax Special Revenue Fund – To account for the sales tax and garbage collection revenues and expenditures associated with garbage collection.

Section 8 Housing Special Revenue Fund – To account for the revenues and expenditures associated with the HUD housing voucher program.

**Budgets and Budgetary Accounting**

Annual budgets are adopted and recorded in the accounting records for all governmental type funds. The City follows these procedures in establishing the budgetary data reflected in these financial statements:

- A proposed budget is prepared and submitted to the Mayor and City Council prior to the beginning of each fiscal year.
- The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
- The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- *Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval from the City Council.*
- All budgetary appropriations lapse at the end of each fiscal year.
- Budgets for the General, Special Revenue and Debt Service Funds are adopted in accordance with generally accepted accounting principles (GAAP).
- The level of budgetary control is total appropriations. Budgeted amounts are as originally adopted, or as amended by the City Council.

**Capital Assets**

All capital assets for governmental activities are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 5 to 40 years.

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

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Sewerage system plant	20-35 years
Gas plant	25 years
Sewerage & gas system equipment	5-10 years
Buildings	25-40 years
Office equipment	5-10 years
Automotive equipment	3-5 years

**Bad Debts**

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

**Operating Transfers In and Out**

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due from and due to accounts.

**Accumulated Unpaid Vacation**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. The City did not record any long term accrued leave in the GWFS. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

**Short-term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between the individual funds. These interfund receivables/payables are classified on the balance sheet as "Due from Other Funds" or "Due to Other Funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

**Encumbrances**

Encumbrance accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

**Investments**

Investments, which include time certificates of deposit, are stated at cost, which is market value.

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE B - AD VALOREM TAXES**

Ad valorem taxes attach as an enforceable lien on property as of February 28 of each year. Taxes are levied and are actually billed to the taxpayer in November. Billed taxes become delinquent on January 31 of the following year.

The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Ascension Parish. For the year ended June 30, 2008, taxes of 11.51 mills were levied on property with assessed valuations totaling \$21,995,350 and were dedicated for general-purposes.

Total taxes levied were \$253,168. Substantially all taxes levied have been collected as of June 30, 2008.

**NOTE C – DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at June 30, 2008 consist of the following:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Ascension Parish Sales and Use Tax Authority	\$ -	\$ 177,825	\$ 177,825
US Department of Housing and Urban Development		51,764	51,764
Fire Insurance Taxes from the State of Louisiana	17,208	-	17,208
Ascension Parish Central Fund	<u>83,888</u>		<u>83,888</u>
	<u>\$ 101,096</u>	<u>\$ 229,589</u>	<u>\$ 330,685</u>

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE D – CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2008, are as follows:

Governmental Activities:

	Land	Buildings and Improvements	Furniture and Equipment	Construction in Progress	Total
Cost of capital assets, June 30, 2007	\$ 911,548	\$ 2,597,832	\$ 2,521,800	\$ 58,303	\$ 6,089,483
Additions	-	156,583	319,622	-	476,205
Deletions	-	-	-	-	-
Cost of capital assets, June 30, 2008	911,548	2,754,415	2,841,422	58,303	6,565,688
Accumulated depreciation, June 30, 2007	\$ -	\$ 982,611	\$ 913,213	\$ -	\$ 1,895,824
Additions	-	101,685	265,032	-	366,717
Deletions	-	-	-	-	-
Accumulated depreciation, June 30, 2008	-	1,084,296	1,178,245	-	2,262,541
Capital assets, net of accumulated depreciation, at June 30, 2008	<u>\$ 911,548</u>	<u>\$ 1,670,119</u>	<u>\$ 1,663,177</u>	<u>\$ 58,303</u>	<u>\$ 4,303,147</u>

For the year ended June 30, 2008, depreciation expense was \$366,717.

With respect to governmental activities, the City has three uncompleted construction projects as of June 30, 2008 that is reported as Construction in Progress in the schedule above. The first project is for the construction of a new firehouse which will be used by the City's fire department. No costs were incurred during the current year for this project. Costs incurred during prior years for this project were \$30,762, which consisted primarily of engineering fees. The second project is the waterfront project. No costs were incurred during the current year for this project. Costs incurred in prior years for this project were \$24,187, which consisted primarily of engineering fees. The third project is the sidewalk project. No costs were incurred during the year for this project. Costs incurred in prior years for this project were \$3,354, which consisted primarily of engineering fees.

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE D – CAPITAL ASSETS – Continued**

Business-type Activities

	Land and Building	Furniture and Equipment	Sewerage System & Gas Plant	Construction in Progress	Total
Cost of Capital assets, June 30, 2007	\$ 5,275	\$ 213,531	\$ 7,886,418	\$ 20,000	\$ 8,125,224
Additions	-	6,890	6,200	45,254	58,344
Deletions	-	-	-	-	-
Cost of Capital assets, June 30, 2008	<u>\$ 5,275</u>	<u>\$ 220,421</u>	<u>\$ 7,892,618</u>	<u>\$ 65,254</u>	<u>\$ 8,183,568</u>
Accumulated depreciation, June 30, 2007	\$ 3,775	\$ 173,571	\$ 5,272,374	\$ -	\$ 5,449,720
Additions	-	12,913	307,899	-	320,812
Deletions	-	-	-	-	-
Accumulated depreciation, June 30, 2008	<u>\$ 3,775</u>	<u>\$ 186,484</u>	<u>\$ 5,580,273</u>	<u>\$ -</u>	<u>\$ 5,770,532</u>
Capital assets, net of accumulated depreciation, at June 30, 2008	<u>\$ 1,500</u>	<u>\$ 33,937</u>	<u>\$ 2,312,345</u>	<u>\$ 65,254</u>	<u>\$ 2,413,036</u>

For the year ended June 30, 2008, depreciation expense was \$320,812.

With respect to Business-type activities, the City has a project for improvements to the gas system. Costs incurred during the prior year were \$20,000 which consists primarily of engineering fees. No costs were incurred on this project for the current year. The city has two sewer projects including the Reynaud drive project which incurred \$19,214 in the current year, and the road at the John Folse processing plant. Costs incurred during this year were \$26,040. The costs for both projects consisted primarily of engineering fees.

**NOTE E – LONG TERM DEBT**

The following is a summary of long-term debt transactions for the year ended June 30, 2008:

	Certificates of Indebtedness	Revenue Bonds	Total
Payable, June 30, 2007	\$ 1,743,000	\$ 1,612,000	\$ 3,355,000
Additions	-	-	-
Deletions	<u>(88,000)</u>	<u>(179,000)</u>	<u>(267,000)</u>
Payable, June 30, 2008	<u>\$ 1,655,000</u>	<u>\$ 1,433,000</u>	<u>\$ 3,088,000</u>

CITY OF DONALDSONVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE E – LONG TERM DEBT – Continued

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

**GOVERNMENTAL ACTIVITIES**

Certificate of indebtedness

\$1,425,000 certificates of indebtedness dated November 20, 2006 due in ten installments of 72,000 through July 2007, 120,000 through July 2008, 127,000 through July 2009, 133,000 through July 2010, 142,000 through July 2011, 148,000 through July 2012, 157,000 through July 2013, 166,000 through July 2014, 175,000 through July 2015, and 185,000 through July 2016; plus interest at 4.48% through 2015; and 318,000 is dated November 20, 2006 due in ten installments of 16,000 through July 2007, 27,000 through July 2008, 28,000 through July 2009, 30,000 through July 2010, 31,000 through July 2011, 34,000 through July 2012, 35,000 through July 2013, 37,000 through July 2014, 39,000 through July 2015 and 41,000 through July 2016.

1,655,000

\$ 1,655,000

**BUSINESS-TYPE ACTIVITIES**

Certificates of Indebtedness

Revenue Bonds Series 1969

\$395,000 Sewerage District No. 1 serial bonds dated April 1, 1969 due in annual installments, \$15,000 through 1999, \$16,000 through 2000, \$17,000 through 2002, \$18,000 through 2003, \$19,000 through 2004, \$20,000 through 2005, \$21,000 through 2006, \$22,000 through 2008, \$19,000 through 2009, plus interest at 4.50% paid semi-annually.

19,000

Revenue Bonds Series 1995

\$3,500,000 Sewer Revenue Bonds authorized, of which \$2,505,000 was issued, dated March 1, 1995. During the Permanent Loan Period principal is payable July 1 and interest payable January 1 and July 1 at the rate of 2.45% per annum.

1,414,000

\$ 1,433,000

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE E – LONG-TERM DEBT – Continued**

The annual requirements to amortize all debt outstanding as of June 30, 2008 including interest of \$589,025 are as follows:

<u>Year Ending June 30,</u>	<u>Certificates of Indebtedness 2006</u>	<u>Revenue Bonds Series 1969</u>	<u>Revenue Bonds Series 1995</u>	<u>Total</u>
2009	224,198	19,855	178,649	422,702
2010	224,828	-	179,474	404,302
2011	225,067	-	179,177	404,244
2012	226,870	-	178,753	405,623
2013	227,203	-	179,198	406,401
Thereafter	919,255	-	714,498	1,633,753
	<u>\$ 2,047,421</u>	<u>\$ 19,855</u>	<u>\$ 1,609,749</u>	<u>\$ 3,677,025</u>

**NOTE F – REVENUES AND EXPENDITURES – ACTUAL AND BUDGET**

The following funds have actual expenditures over budgeted expenditures for the year ended June 30, 2008:

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Special Revenue Funds:			
Section 8	\$ 506,220	\$ 543,581	\$ 37,361
Law Enforcement	852,650	857,151	4,501
Total special revenue funds	<u>\$ 1,358,870</u>	<u>\$ 1,400,732</u>	<u>\$ 41,862</u>

The following funds have actual revenues under budgeted revenues for the year ended June 30, 2008:

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Governmental Funds:			
General Fund	\$ 3,218,460	\$ 3,014,188	\$ (204,272)
Special Revenue Funds:			
Section 8	\$ 573,000	547,091	\$ (25,909)
Sales Tax Fund	2,178,124	2,149,986	(28,138)
Law Enforcement	870,031	862,201	(7,830)
Total special revenue funds	<u>\$ 3,621,155</u>	<u>\$ 3,559,278</u>	<u>\$ (61,877)</u>
Debt Service Fund	<u>\$ 348</u>	<u>\$ 355</u>	<u>\$ (7)</u>

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE G – DEDICATED REVENUE**

**Sales Tax Revenue Fund**

Proceeds of the 1% sales and use tax were dedicated to the following purposes:

Construction, repair, maintenance and operations of streets, sidewalks, drainage, and for garbage collection; for the construction, maintenance and operation of public utilities, or gas, water and sewerage; for the establishment, maintenance, replacement and operation of parks and recreational facilities; for the maintenance and operation of the Police and Fire Departments as well as the purchase of equipment for the Police and Fire Departments; and finally for the maintenance and operation of any department of the City of Donaldsonville, title to which shall be in the public.

Effective March 1, 1984, an additional 1/2% sales and use tax was dedicated to the following purposes:

Maintenance and operation of garbage and trash collection department and operation and maintenance of the sewerage district with maintenance to include purchase of equipment.

Effective January 1, 1997, an additional 1/2% sales and use tax was dedicated for providing law enforcement services to the City of Donaldsonville.

**HUD - Section 8**

The City has a continuing grant from HUD. The grant proceeds can only be used to operate the Section 8 program.

**NOTE H- RESTRICTED ASSETS**

1. In accordance with the indenture governing the Sewerage District No. 1 Revenue Bonds Series 1969, cash is periodically deposited into accounts administered by a Trustee bank. These bonds are a direct liability of the Sewerage District No. 1 Enterprise Fund and are serviced by the earnings from the Fund. Deposits are made to these trust accounts in accordance with the requirements of each.

- The "Sewer System Revenue Fund" requires all income derived from its operations or ownerships shall be deposited in a bank which is a member of the Federal Deposit Insurance Corporation and shall be maintained as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to the following trust accounts:
- The "Sewer Revenue Bond Fund" required monthly transfers from the Sewer System Revenue Fund to provide payment of the next maturing interest on the principal of the Revenue Bonds.
- The "Sewer Revenue Bond Reserve Fund" requires monthly transfers of a sum equal to 20% transferred to the Sewer Revenue Bond Fund until the fund shall equal \$25,000. No transfers were required since this fund has accumulated \$25,000. This fund is restricted to payment of principal and interest in case of default.
- The "Sewer Replacement and Extension Fund" requires monthly transfers of a sum of \$150 until the balance shall equal \$9,000. Since the fund has accumulated \$9,000, no transfers are required. The fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements which will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond Fund, or Sewer Revenue Bond Reserve Fund.

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE H- RESTRICTED ASSETS – Continued**

The balances required in the sinking funds and reserve funds from a strict interpretation of Bond Resolutions, as compared to actual balances, are reflected in the following schedules:

Revenue Bonds Series 1969	Sewer Revenue Bond Fund Sinking Fund	Sewer Revenue Bond Reserve Fund	Sewer Replacement & Extension Reserve Fund	Total
Required balances	\$ 4,964	\$ 25,000	\$ 9,000	\$ 38,964
Actual balances	6,734	25,000	9,000	40,734
Excess/(Shortage)	\$ 1,770	\$ -	\$ -	\$ 1,770

The City of Donaldsonville is in compliance with the above requirements.

2. In accordance with the indenture governing the Sewerage District No. 1 Revenue Bonds Series 1995, cash is periodically deposited into accounts administered by a Trustee bank. These bonds are a direct liability of the Sewerage District No. 1 Enterprise Fund and are serviced by the earnings from the Fund. Deposits are made to these trust accounts in accordance with the requirements of each.

- The "Sewer System Revenue Fund" requires all income derived from its operations or ownerships shall be deposited in a bank which is a member of the Federal Deposit Insurance Corporation and shall be maintained as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to the following trust accounts:
- The "Sinking Fund" requires monthly transfers from the Sewer System Revenue Fund to provide payment of the next maturing interest on and principal of the Revenue Bonds.
- The "Revenue Fund" requires monthly transfers of a sum equal to 25% transferred to the Sinking Fund until the fund shall equal the Reserve Fund Requirement. The Reserve Fund Requirement is equal to the lesser of (a) 10% of the principal proceeds of the Bonds theretofore paid to the City of Donaldsonville, or (b) the maximum scheduled principal and interest requirements in any succeeding bond year on the Bonds. This fund is restricted to payment of principal and interest in cash of default.
- The "Sewer Renewal and Replacement Fund" requires monthly transfers of a sum equal to 5% of the Net Revenues of the System for the preceding month, provided that such sum is available after provision is made for the payments required to the Sinking Fund and Reserve Fund until the balance shall equal \$50,000. The fund is restricted to payments to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the System. It will also be used to pay principal and interest if there are not sufficient funds in the Sinking Fund, or Reserve Fund.

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE H- RESTRICTED ASSETS – Continued**

The balances required in the sinking funds and reserve funds from a strict interpretation of Bond Resolution as compared to actual balances, are reflected in the following schedules:

Revenue Bonds Series 1995	Sinking Fund	Revenue Reserve Fund	Sewer Renewal & Replacement Reserve Fund	Total
Required balances	\$ 159,853	\$ 90,294	\$ 50,000	\$ 300,147
Actual balances	162,437	96,161	50,042	308,640
Excess/(Shortage)	\$ 2,584	\$ 5,867	\$ 42	\$ 8,493

The City of Donaldsonville is in compliance with the above requirements.

3. In accordance with the indenture governing the Certificates of Indebtedness Series 2006, the certificates shall be secured by and payable in principal and interest solely by a pledge and dedication of the excess revenues of the Issuer above statutory, necessary and usual charges in each of the fiscal years during which the certificates are outstanding including any tax or other revenues authorized for any of the above purposes as may be transferred to the General Fund for the payment of debt service on the certificates.

- The “Sinking Fund” requires that the issuer shall deposit in the Sinking Fund at least one day in advance of the date on which each payment of principal and/or interest falls due, funds fully sufficient to promptly pay the maturing principal and/or interest on the Certificates falling due on that date.

Certificates of Indebtedness Series 2006	Sinking Fund
Required balances	\$ 187,394
Actual balances	189,467
Excess/(Shortage)	\$ 2,073

The City of Donaldsonville is in compliance with the above requirements.

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE I – SEGMENTS OF ENTERPRISE ACTIVITIES**

Two services, gas and sewerage, are provided by the City and are financed by user charges. The significant financial data for the year ended June 30, 2008 for those two services are as follows:

	<u>Gas Utility</u>	<u>Sewerage District No. 1</u>	<u>Total</u>
Operating revenues	\$ 1,487,356	\$ 1,063,995	\$2,551,351
Operating expenses	1,503,834	903,475	2,407,309
Depreciation	18,071	302,741	320,812
Operating income (loss)	(16,478)	160,520	144,042
Operating transfers in (out)	(49,200)	(142,282)	(191,482)
Change in net assets	(59,226)	(14,640)	(73,866)
Property, plant & equipment additions	52,144	6,200	58,344
Net working capital	4,820	140,788	145,608
Total assets	838,702	3,158,251	3,996,953
Bonds payable	-	1,433,000	1,433,000
Fund capital	434,228	1,558,298	1,992,526

# CITY OF DONALDSONVILLE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008

### NOTE J – RETIREMENT SYSTEMS

Substantially all employees of the City of Donaldsonville, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Firefighters' Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

#### **Municipal Employees Retirement System of Louisiana (System)**

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

*Funding Policy.* Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary and the City of Donaldsonville is required to contribute at an actuarially determined rate. The current rate is 9.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of Donaldsonville are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Donaldsonville's contributions to the System under Plan B for the years ending June 30, 2008, 2007, and 2006 were \$39,968, \$59,896, and \$58,640, respectively, equal to the required contributions for each year.

#### **Firefighters' Retirement System of Louisiana**

*Plan Description.* Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE J – RETIREMENT SYSTEMS – Continued**

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (225) 925-4060.

*Funding Policy.* Plan members are required by state statute to contribute 8.0% of their annual covered salary and the City of Donaldsonville is required to contribute at an actuarially determined rate. The current rate is 15.5% of annual covered payroll. The contribution requirements of plan members and the City of Donaldsonville are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Donaldsonville's contributions to the System for the years ending June 30, 2008, 2007, and 2006 were \$48,834, \$52,545 and \$59,029.

**NOTE K – CASH & DEPOSITS**

Cash includes demand deposits and interest bearing demand deposits. Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any state in the union or the laws of the United States. Further, the City may deposit funds in time deposits or certificates of deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Also, state law requires that deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At year end, the carrying amount of the City's deposits was \$1,716,811 and the bank balance was \$2,514,599. Of the bank balance, \$100,000 was covered by federal depository insurance and \$2,414,599 was covered by collateral held by the pledging bank's agent in the Bank's name (Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) 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 that the fiscal agent has failed to pay deposited funds upon demand.

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE L – RECEIVABLES**

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

<u>Class of Receivable</u>	<u>Special Revenue Fund</u>	<u>Proprietary Fund</u>
Charges for services		
Sewer	-	83,058
Gas	-	146,863
Garbage	17,184	-
Law Enforcement	20,037	-
Total	<u>\$ 37,221</u>	<u>\$ 229,921</u>

All receivables for the governmental funds are considered to be collectible, and no allowance for bad debt is used. The accounts receivable for the Sewer Utility fund is net of an allowance for bad debt of \$7,914. The accounts receivable for the Gas Utility fund is net of an allowance for bad debt of \$8,940.

**NOTE M - CONTRACTED SERVICES**

The City has a contract with the Ascension Parish Sheriff in which the Sheriff provides law enforcement services to the City. For the year ended June 30, 2008 the City expended \$852,000 to the Sheriff for these services. On July 1, 2004, a new contract was negotiated resulting in the following future minimum payments which are adjusted annually in accordance with the change in the consumer price index (CPI) as stated in the contract. The annual adjustment allowed for by the change in the CPI will not exceed 5% per year.

Future minimum payments are as follows:

For year ending June 30, 2009	<u>894,600</u>
	<u>\$ 894,600</u>

Additionally, the City has contracted with SWDI for sanitation disposal services. This contract is based on the number of residences using this service and is renewable yearly. The City pays for sanitation disposal services for all residences within the City. As of November 1, 2007, the City discontinued commercial garbage pickup. The residences now pay a monthly \$4 user fee which was increased from \$2 in July 2005 to the City as a reimbursement for part of the cost incurred. For the year ended June 30, 2008 the City incurred \$357,277 of net sanitation disposal expenditures resulting from this contract.

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE N – INTERFUND RECEIVABLES AND PAYABLES**

The following schedule as of June 30, 2008 represents interfund receivables and payables:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund		
Gas	92,351	-
Sewer	3,961	219
Sales Tax	78,023	-
Section 8	-	9,829
Law Enforcement	-	10,625
Section 8		
General	9,829	-
Sales tax		
Law enforcement	12,808	-
Sewer	27,145	57,718
Gas	236	-
General	-	78,023
Law Enforcement		
General	10,625	-
Sales tax	-	12,808
Gas	-	76,051
Sewer	-	1,305
Debt Service		
Gas	11,275	-
Sewer	-	22,898
Sewer		
Sales Tax	57,718	27,145
Gas	58,004	6,948
Debt Service	22,888	-
Law Enforcement	1,305	-
General	219	3,961
Gas		
Law enforcement	76,051	-
General	-	92,351
Sewer	6,948	58,004
Sales Tax	-	236
Debt Service	-	11,265
	<u>\$ 469,386</u>	<u>\$ 469,386</u>

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE O – OPERATING TRANSFERS**

Operating transfers for the year ended June 30, 2008 are as follows:

	<b>TRANSFERS</b>	
	<u>IN</u>	<u>OUT</u>
General fund		
Gas	\$ -	\$ 49,200
Sales tax	-	977,300
Sewer	-	275,000
Law enforcement	157,100	-
Debt service	330,895	324,120
Sales tax		
General	977,300	-
Sewer	132,718	-
Law enforcement	488,650	-
Gas utility		
General	49,200	-
Debt service		
General	324,120	330,895
Sewer	-	-
Sewer		
Sales tax	-	132,718
General	275,000	-
Debt service	-	-
Law enforcement		
General	-	157,100
Sales tax	-	488,650
	<u>\$ 2,734,983</u>	<u>\$ 2,734,983</u>

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

**NOTE P - CONTINGENCIES**

At June 30, 2008, there is pending litigation against the City. In the opinion of management, the ultimate liabilities, if any, resulting from such lawsuits and claims, will not materially affect the financial position of the City.

The City has incurred a loss on the impairment of an asset during the years ended June 30, 2005 and June 30, 2004. The tourist ship *LePelican* sank off the bank of the Mississippi River and has been deemed unsalvageable by the City. No costs were incurred in the current year with respect to the *LePelican*. Furthermore, there may be additional costs incurred by the City to scrap the asset; however, this cost can not be determined or estimated at this time.

The City may have a claim against Incode for negligent installation of the sewer billing software in the prior year, which has caused the City to lose money from not collecting the correct amount from its sewer customers.

**OTHER REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 10

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2008

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Ad Valorem	\$ 215,000	\$ 268,000	\$ 263,760	\$ (4,240)
Public utility franchise	135,000	131,000	130,951	(49)
Cable TV franchise	75,000	79,200	79,144	(56)
Peoples Water franchise	60,000	62,800	63,081	281
Telephone franchise	40,000	34,000	32,180	(1,820)
Licenses and permits				
Occupational	106,000	110,000	110,602	602
Insurance	125,000	135,000	133,894	(1,106)
Other	47,800	36,300	37,933	1,633
Intergovernmental				
Corrections	19,000	18,900	17,826	(1,074)
Fire insurance	25,000	30,000	17,207	(12,793)
Beer	11,000	9,500	9,740	240
Parish and state grants	170,000	510,078	347,310	(162,768)
Other - African American	-	-	6,512	6,512
FEMA Disaster Payments	-	-	1,825	1,825
Fines				
Court fines	46,000	59,600	56,841	(2,759)
Other revenues				
Loan Proceeds	304,326	-	-	-
Miscellaneous	81,700	57,300	47,648	(9,652)
Interest	12,000	10,000	5,292	(4,708)
Rent - Lemann Center	30,000	25,000	26,822	1,822
Total revenues	<u>1,502,826</u>	<u>1,576,678</u>	<u>1,388,568</u>	<u>(188,110)</u>
<b>EXPENDITURES</b>				
General government	638,960	698,504	818,729	(120,225)
Public Safety	617,300	730,431	710,874	19,557
Streets & Sanitation	914,876	1,050,978	820,456	230,522
Recreation	155,700	239,036	192,574	46,462
Total expenditures	<u>2,326,836</u>	<u>2,718,949</u>	<u>2,542,633</u>	<u>176,316</u>
Excess of revenues over (under) expenditures	<u>(824,010)</u>	<u>(1,142,271)</u>	<u>(1,154,065)</u>	<u>(11,794)</u>

See notes to financial statements.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 10

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2008

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	1,155,000	1,641,782	1,625,620	(16,162)
Operating transfers out	(328,035)	(487,995)	(487,995)	-
Total other financing sources (uses)	826,965	1,153,787	1,137,625	(16,162)
Excess of revenues and other sources over (under) expenditures and other uses	2,955	11,516	(16,440)	(27,956)
<b>FUND BALANCE</b>				
Beginning of year	363,560	352,041	352,041	-
End of year	\$ 366,515	\$ 363,557	\$ 335,601	\$ (27,956)

See notes to financial statements.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 11

**SPECIAL REVENUE FUND  
SALES TAX FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2008**

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Sales tax revenues, net of discounts allowed	\$ 1,900,000	\$ 1,986,924	\$ 1,959,982	\$ (26,942)
Charges				
User fee	220,000	191,000	189,438	(1,562)
Other				
Interest	200	200	566	366
Total revenues	<u>2,120,200</u>	<u>2,178,124</u>	<u>2,149,986</u>	<u>(28,138)</u>
<b>EXPENDITURES</b>				
Sanitation				
Garbage disposal	<u>561,000</u>	<u>537,931</u>	<u>550,482</u>	<u>(12,551)</u>
Total expenditures	<u>561,000</u>	<u>537,931</u>	<u>550,482</u>	<u>(12,551)</u>
Excess (deficiency) of revenues over expenditures	<u>1,559,200</u>	<u>1,640,193</u>	<u>1,599,504</u>	<u>(40,689)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out	<u>(1,559,200)</u>	<u>(1,640,193)</u>	<u>(1,598,668)</u>	<u>41,525</u>
Total other financing sources (uses)	<u>(1,559,200)</u>	<u>(1,640,193)</u>	<u>(1,598,668)</u>	<u>41,525</u>
Excess of revenues over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>836</u>	<u>836</u>
Fund balance at beginning of year	<u>71,378</u>	<u>71,378</u>	<u>71,378</u>	<u>-</u>
Fund balance at end of year	<u>\$ 71,378</u>	<u>\$ 71,378</u>	<u>\$ 72,214</u>	<u>\$ 836</u>

See notes to financial statements.

## CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 12

**SPECIAL REVENUE FUND  
SECTION 8  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental				
HUD receipts	\$ 550,000	\$ 568,000	\$ 547,091	\$ (20,909)
Other	-	4,900	-	(4,900)
Other				
Interest	110	100	-	(100)
Total revenues	<u>550,110</u>	<u>573,000</u>	<u>547,091</u>	<u>(25,909)</u>
<b>EXPENDITURES</b>				
Welfare				
Rent and utility assistance	461,000	487,820	491,219	(3,399)
General and administrative	66,500	18,400	52,362	(33,962)
Total expenditures	<u>527,500</u>	<u>506,220</u>	<u>543,581</u>	<u>(37,361)</u>
Excess of revenues over (under) expenditures	<u>22,610</u>	<u>66,780</u>	<u>3,510</u>	<u>(63,270)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures and other uses	<u>22,610</u>	<u>66,780</u>	<u>3,510</u>	<u>(63,270)</u>
<b>FUND BALANCE</b>				
Beginning of year	<u>63,280</u>	<u>94,565</u>	<u>94,565</u>	<u>-</u>
End of year	<u>\$ 85,890</u>	<u>\$ 161,345</u>	<u>\$ 98,075</u>	<u>\$ (63,270)</u>

See notes to financial statements.

## CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 13

**SPECIAL REVENUE FUND  
LAW ENFORCEMENT  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services				
User fee	\$ 220,000	\$ 215,200	\$ 215,909	\$ 709
Other Income	-	1,000	542	(458)
<b>Total revenues</b>	<u>220,000</u>	<u>216,200</u>	<u>216,451</u>	<u>251</u>
<b>EXPENDITURES</b>				
Public Safety				
Sheriff contract	852,000	852,000	852,000	-
Other	100	650	5,151	(4,501)
<b>Total expenditures</b>	<u>852,100</u>	<u>852,650</u>	<u>857,151</u>	<u>(4,501)</u>
Excess of revenues over (under) expenditures	<u>(632,100)</u>	<u>(636,450)</u>	<u>(640,700)</u>	<u>(4,250)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	632,100	653,831	645,750	(8,081)
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>632,100</u>	<u>653,831</u>	<u>645,750</u>	<u>(8,081)</u>
Excess of revenues over (under) expenditures and other uses	<u>-</u>	<u>17,381</u>	<u>5,050</u>	<u>(12,331)</u>
<b>FUND BALANCE</b>				
Beginning of year	26,527	9,146	9,146	-
End of year	<u>\$ 26,527</u>	<u>\$ 26,527</u>	<u>\$ 14,196</u>	<u>\$ (12,331)</u>

See notes to financial statements.

**OTHER SUPPLEMENTARY INFORMATION**

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 14

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2008

	Special Revenue			Totals
	Boys & Girls Recreation	Affordable Housing	Debt Service	
<b>ASSETS</b>				
Cash	\$ 7,246	\$ 643	\$ 214,911	\$ 222,800
Due from other funds	-	-	11,275	11,275
Total assets	<u>\$ 7,246</u>	<u>\$ 643</u>	<u>\$ 226,186</u>	<u>\$ 234,075</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ 22,898	\$ 22,898
Total liabilities	-	-	22,898	22,898
Fund balance:				
Restricted for debt service	-	-	203,288	203,288
Unreserved - undesignated	7,246	643	-	7,889
Total fund balance	<u>7,246</u>	<u>643</u>	<u>203,288</u>	<u>211,177</u>
Total liabilities and fund balance	<u>\$ 7,246</u>	<u>\$ 643</u>	<u>\$ 226,186</u>	<u>\$ 234,075</u>

See notes to financial statements.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 15

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 YEAR ENDED JUNE 30, 2008

	Special Revenue			Totals
	Boys & Girls Recreation	Affordable Housing	Debt Service	
<b>REVENUES</b>				
Interest	\$ 7	\$ -	\$ -	\$ 7
Miscellaneous	10	-	355	365
Total revenues	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 355</u>	<u>\$ 372</u>
<b>EXPENDITURES</b>				
Debt Servcie	\$ -	\$ -	\$ 173,609	\$ 173,609
Total expenditures	<u>-</u>	<u>-</u>	<u>173,609</u>	<u>173,609</u>
Excess of revenues over (under) expenditures	<u>17</u>	<u>-</u>	<u>(173,254)</u>	<u>(173,237)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	330,895	330,895
Operating transfers out	-	-	(324,120)	(324,120)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,775</u>	<u>6,775</u>
Excess of revenues over (under) expenditures and other uses	<u>17</u>	<u>-</u>	<u>(166,479)</u>	<u>(166,462)</u>
Fund balance at beginning of year	<u>7,229</u>	<u>643</u>	<u>369,767</u>	<u>377,639</u>
Fund balance at end of year	<u>\$ 7,246</u>	<u>\$ 643</u>	<u>\$ 203,288</u>	<u>\$ 211,177</u>

See notes to financial statements.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 16

COMBINING STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2008

	Gas Utility Fund	Sewerage District No.1	Totals
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash and cash equivalents	\$ (1,776)	\$ 197,900	\$ 196,124
Certificate of deposit	36,000	-	36,000
Accounts receivable, net	146,863	83,058	229,921
Due from other funds	82,999	140,134	223,133
Total current assets	<u>264,086</u>	<u>421,092</u>	<u>685,178</u>
<b>RESTRICTED</b>			
Cash and cash equivalents - customer deposits	216,765	68,322	285,087
Cash - bond reserve fund	-	315,374	315,374
Cash - capital improvements, equipment and contingencies fund	264,278	-	264,278
Certificates of deposit - bond reserve funds	-	34,000	34,000
Total restricted assets	<u>481,043</u>	<u>417,696</u>	<u>898,739</u>
Fixed assets, net	<u>93,573</u>	<u>2,319,463</u>	<u>2,413,036</u>
Total assets	<u>\$ 838,702</u>	<u>\$ 3,158,251</u>	<u>\$ 3,996,953</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Payable from current assets:			
Accounts payable	\$ 79,669	\$ 61,231	\$ 140,900
Accrued payables	17,741	23,019	40,760
Long-term debt	-	158,000	158,000
Due to other funds	161,856	38,054	199,910
Payable from restricted assets:			
Customer deposits	145,208	44,649	189,857
Long-term debt	-	1,275,000	1,275,000
Total liabilities	<u>404,474</u>	<u>1,599,953</u>	<u>2,004,427</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	93,573	886,463	980,036
Restricted for debt service	-	198,504	198,504
Unrestricted	340,655	473,331	813,986
Total net assets	<u>\$ 434,228</u>	<u>\$ 1,558,298</u>	<u>\$ 1,992,526</u>

See notes to financial statements.

## CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 17

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2008**

	Gas Utility Fund	Sewerage District No.1	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,468,264	\$ 972,464	\$ 2,440,728
Other	19,092	91,531	110,623
Total operating revenues	<u>1,487,356</u>	<u>1,063,995</u>	<u>2,551,351</u>
<b>OPERATING EXPENSES</b>			
Gas	1,014,632	-	1,014,632
Depreciation	18,071	302,741	320,812
Field	290,893	489,832	780,725
Administrative	180,238	110,902	291,140
Total operating expenses	<u>1,503,834</u>	<u>903,475</u>	<u>2,407,309</u>
Operating income (loss)	<u>(16,478)</u>	<u>160,520</u>	<u>144,042</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest	6,452	5,604	12,056
Interest and fiscal charges	-	(38,482)	(38,482)
Total non-operating revenues (expenses)	<u>6,452</u>	<u>(32,878)</u>	<u>(26,426)</u>
Income (loss) before operating transfers	<u>(10,026)</u>	<u>127,642</u>	<u>117,616</u>
<b>OPERATING TRANSFERS</b>			
Operating transfers in	-	132,718	132,718
Operating transfers out	(49,200)	(275,000)	(324,200)
Net operating transfers	<u>(49,200)</u>	<u>(142,282)</u>	<u>(191,482)</u>
Changes in net assets	(59,226)	(14,640)	(73,866)
Net assets at beginning of year	<u>493,454</u>	<u>1,572,938</u>	<u>2,066,392</u>
Net assets at end of year	<u>\$ 434,228</u>	<u>\$ 1,558,298</u>	<u>\$ 1,992,526</u>

See notes to financial statements.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 18

COMBINING STATEMENT OF OPERATING EXPENSES  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2008

	Gas Utility Fund	Sewerage District No.1	Totals
<b>EXPENSES</b>			
Gas	\$ 1,014,632	\$ -	\$ 1,014,632
Depreciation	18,071	302,741	320,812
Field			
Personnel	146,755	110,151	256,906
Professional fees	4,715	25,965	30,680
Maintenance	31,542	63,198	94,740
Weed control and chemicals	2,764	24,403	27,167
Supplies	3,565	5,386	8,951
Oxidation testing	-	24,701	24,701
Utilities	1,865	130,508	132,373
Gas and oil	9,460	16,926	26,386
Uniforms	2,056	1,736	3,792
Rentals	162	6,956	7,118
Insurance	79,935	68,360	148,295
Training	5,407	4,195	9,602
Miscellaneous	2,667	7,347	10,014
Total Field	290,893	489,832	780,725
Administration			
Personnel	87,726	21,172	108,898
Professional	3,750	4,625	8,375
Maintenance	1,139	776	1,915
Supplies	2,166	1,621	3,787
Postage	14,609	14,247	28,856
Authorization fees	9,899		9,899
Bad debt	26,553	17,622	44,175
Computer service	7,099	16,109	23,208
Utilities	4,127	4,127	8,254
Administrative fees	-	12,028	12,028
Miscellaneous	1,171	199	1,370
Rentals	1,183	1,453	2,636
Insurance	20,816	16,923	37,739
Total Administration	180,238	110,902	291,140
Total operating expenses	1,503,834	903,475	2,407,309

See notes to financial statements.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 19

COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2008

	Gas Utility Fund	Sewerage District No. 1	Totals
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 1,460,919	\$ 1,052,495	\$ 2,513,414
Cash Received from Customer Deposits	1,975	3,415	5,390
Cash Payments to Suppliers for Goods & Service	(1,227,960)	(435,473)	(1,663,433)
Cash Payments to Employees	(234,481)	(131,323)	(365,804)
Cash Loans from Other Funds	68,847	82,207	151,054
Net Cash Provided by Operating Activities	<u>69,300</u>	<u>571,321</u>	<u>640,621</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Operating Transfers in (out)	<u>(49,200)</u>	<u>(142,282)</u>	<u>(191,482)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>(49,200)</u>	<u>(142,282)</u>	<u>(191,482)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal Paid on Capital Debt	-	(179,000)	(179,000)
Interest Paid on Capital Debt	-	(38,482)	(38,482)
Acquisition of Capital Assets	<u>(6,887)</u>	<u>(51,454)</u>	<u>(58,341)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(6,887)</u>	<u>(268,936)</u>	<u>(275,823)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Income	<u>6,452</u>	<u>5,605</u>	<u>12,057</u>
Net Cash Provided by Investing Activities	<u>6,452</u>	<u>5,605</u>	<u>12,057</u>
Increase/(Decrease) in Cash	19,665	165,708	185,373
Cash at Beginning of Year	<u>459,602</u>	<u>415,888</u>	<u>875,490</u>
Cash at End of Year	<u>\$ 479,267</u>	<u>\$ 581,596</u>	<u>\$ 1,060,863</u>

See notes to financial statements.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 19

COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2008

	Gas Utility Fund	Sewerage District No. 1	Totals
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Income/(Loss) from Operations	\$ (16,478)	\$ 160,520	\$ 144,042
<b>ADJUSTMENTS TO RECONCILE INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Depreciation	18,071	302,741	320,812
Change in Operating Assets and Liabilities:			
Accounts Receivable	(26,437)	(11,500)	(37,937)
Accounts Payable	17,925	34,940	52,865
Accrued Payroll Payables	5,397	(1,002)	4,395
Due to Other funds	68,847	82,207	151,054
Customer Deposits	1,975	3,415	5,390
Net Cash Provided by Operating Activities	69,300	571,321	640,621
<b>RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS</b>			
Current Assets-			
Cash & Cash Equivalents	(1,776)	197,900	196,124
Restricted Assets-			
Cash & Cash Equivalents	481,043	383,696	864,739
Total Cash & Cash Equivalents	\$ 479,267	\$ 581,596	\$ 1,060,863

See notes to financial statements.

**SCHEDULE OF SEWERAGE CUSTOMERS**

**(Unaudited)**

**June 30, 2008**

Records maintained by the City indicated there were 3,070 customers of Sewerage District No. 1 at June 30, 2008. The monthly service charge is based upon water consumption of each resident. Commercial buildings are charged at a higher rate which is also based upon water consumption.

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 21

SCHEDULE OF INSURANCE IN FORCE  
(unaudited)  
June 30, 2008

<u>Issuer</u>	<u>Kind of Insurance</u>	<u>Property Covered</u>	<u>Insurance</u>	<u>Expiration Date</u>
Bourg Agency Company (Scottsdale Insurance Company)	Fire and extended coverage	Fire Station and contents	\$ 135,000	April 3, 2009
Bourg Insurance Agency (Scottsdale Insurance Company)	Fire and extended coverage	Community Center building Community Center contents	\$ 500,000 \$ 25,000	April 3, 2009 April 3, 2009
Bourg Insurance Agency (Scottsdale Insurance Company)	Fire and extended coverage	House D Thibaut Drive	\$ 65,000	April 3, 2009
Bourg Insurance Agency (Scottsdale Insurance Company)	Fire and extended coverage	City Hall buildings City Hall contents	\$ 450,000 \$ 150,000	April 3, 2009 April 3, 2009
Bourg Insurance Agency (Scottsdale Insurance Company)	Fire and extended coverage	Gas Dept. warehouse Gas Dpet. Contents	\$ 25,000 \$ 16,000	April 3, 2009 April 3, 2009
Louisiana Municipal Risk Management Agency	General Liability	Public officials - Errors and omissions	\$ 500,000	June 16, 2009
	Collision and Comprehensive	General Liability	\$ 500,000	June 16, 2009
		16 Automobiles	\$ 500,000	June 16, 2009
Essex Insurance Company	Collision and Comprehensive	14 Automobiles	\$ 204,011	January 1, 2009
		1990 Ford Fire Truck Pump	\$ 80,000	January 1, 2009
		2007 Ferrara Igniter Pumper		January 1, 2009
		2007 John Deere Tractor	\$ 27,000	March 21, 2009
CNA Surety Co	Employees Blanket Bond Public Employees Bond	Employees Commission	\$ \$	May 1, 2009 May 4, 2009
Arthur Gallagher of L.A, Inc (LWCC)	Worker's Compensation	Eligible Employees	\$ 1,000,000	March 16, 2009
Bourg Insurance Agency	Fire & Extended	406 Charles St.	\$ 65,000	April 3, 2009
Fort Dearborn Life Insurance	Life Insurance	Eligible Employees	\$ 25,000	

CITY OF DONALDSONVILLE, LOUISIANA

Exhibit 22

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES  
JUNE 30, 2008

	<u>Year Ended</u> <u>June 30, 2008</u>
Leroy Sullivan-Mayor	\$ 9,610
Emile Spano - Commissioner of District No. 5	\$ 3,994
Tony Huey - Commissioner of District No. 1	\$ 3,994
Raymond Aucoin-Commissioner of District No. 2	\$ 3,994
Charles Brown-Commissioner of District No. 4	\$ 3,994
Reginald Francis Sr.-Commissioner of District No. 3	\$ 3,994

**CITY OF DONALDSONVILLE, LOUISIANA**

Schedule 1

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008**

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number	Total Current Year Expenditures
U.S. Department of HUD:			
Direct Program-Section 8	14.856	N/A	\$ 543,581 *
Direct Program-Office of Community Development	14.219	N/A	6,514
Pass-through from Louisiana Office of Community Development	14.228	N/A	<u>26,040</u>
 Total			 <u>\$ 576,135</u>

\*Major Program

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS AND OTHER SCHEDULES  
REQUIRED BY GOVERNMENT AUDITING STANDARDS  
AND OMB A-133**

**CITY OF DONALDSONVILLE, LOUISIANA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2008**

**GENERAL**

The Schedule of Federal Awards presents the activity of all Federal awards programs of the City of Donaldsonville, Louisiana (the City).

The City reporting entity is defined in Note A to the City's financial statements. All Federal awards received directly from Federal agencies, as well as Federal awards passed through other government agencies, are included on the schedule.

**BASIS OF ACCOUNTING**

The Schedule of Federal Awards is presented using the modified accrual basis of accounting. The basis of accounting for the various funds is described more fully in Note A to the City's financial statements.

**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended June 30, 2008****A. Summary of Audit Results**

- The auditor's report expresses an unqualified opinion on the basic financial statements of the City of Donaldsonville, Louisiana.
  - There was one significant deficiency in internal control material to the basic financial statements which were disclosed during the audit and reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards. (See 2008-2 in Part B of this Schedule)
  - There were two instances of noncompliance material to the basic financial statements which were disclosed during the audit and reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards. (See 2008-1 and 2008-3 in Part B of this Schedule)
  - There were no significant deficiencies in internal control disclosed during the audit of the major federal award programs which were required to be reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.
  - There was one instance of noncompliance material to the basic financial statements disclosed during the audit of the major federal award programs and reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards. (See 2008-4 in Part C of this Schedule)
  - The auditor's report on compliance for the major federal award programs for City of Donaldsonville, Louisiana, expresses a qualified opinion.
  - Audit findings relative to the major federal award program City of Donaldsonville, Louisiana, are reported in Part C of this Schedule.
  - The programs identified as major programs included:
    - Section 8 Housing
- |                            |
|----------------------------|
| <u>Federal CFDA Number</u> |
| 14.856                     |
- The threshold for distinguishing Types A and B programs was \$300,000.
  - The City of Donaldsonville, Louisiana, was not determined to be a low-risk auditee.

**SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended June 30, 2008****B. Findings-Financial Statement Audit****2008-1 BUDGET AMENDMENTS**

The City's Home Rule Charter requires that the City amend its operating budget when actual revenues fail to meet budgeted revenues or when actual expenditures exceed budgeted expenditures. This differs and is stricter than Louisiana Statutes which require the City to amend its operating budget when:

- Total Revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
- Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

Since the City's Home Rule Charter is stricter than Louisiana Statutes, the City must abide by the Home Rule Charter. For the year ended June 30, 2008, three of the City's funds met the requirement described in the City's Home Rule Charter and the budgets were not amended.

We recommend that the City consider amending the Home Rule Charter to reflect the Louisiana Statutes as well as monitoring more closely budget to actual statements during the year to comply with this requirement.

Management of the City concurs with this finding and the recommendations will be implemented immediately.

**2008-2 INTERNAL CONTROL OVER SERVICE DISCONNECTION**

The City's policy for disconnection of gas service is that, with the exception of the winter months, accounts that are not paid on a monthly basis are disconnected due to nonpayment. At times payment plans are allowed, but if the plan is violated, services are disconnected.

A current councilman's gas utility bill was allowed to reach over \$3,385.56 as of September 11, 2008 without his service interrupted. On September 11, 2008, service was disconnected at the mayor's orders. As of the date of this report, the balance is still due.

We recommend that the Mayor review the delinquent accounts on a monthly basis to be sure that unpaid service locations are disconnected from service on a timely basis. As well, the mayor should take all necessary steps to timely collect this unpaid balance.

Management of the City concurs with this finding and the recommendations will be implemented immediately.

**2008-3 PUBLIC BID LAW**

Louisiana statutes require that the City receive at advertise in its official journal and let by contract to the lowest bidder for the purchase of materials and supplies between greater than \$20,000. For the year ended June 30, 2008, the City met this requirement and did not follow the required process for the purchase of bleachers for the Lemann Center.

We recommend that management of the City advertise and let for contract to the lowest bidder for the purchase of materials and supplies greater than \$20,000 in accordance with the Public Bid Law.

Management of the City concurs with the finding and the recommendations will be implemented immediately.

**SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended June 30, 2008**

**C. Findings and Responses – Major Federal Awards Programs Audit**

**2008-4 BUDGET AMENDMENTS**

The City's Home Rule Charter requires that the City amend its operating budget when actual revenues fail to meet budgeted revenues or when actual expenditures exceed budgeted expenditures. This differs and is stricter than Louisiana Statutes which require the City to amend its operating budget when:

- Total Revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
- Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

Since the City's Home Rule Charter is stricter than Louisiana Statutes, the City must abide by the Home Rule Charter. For the year ended June 30, 2008, three of the City's funds met the requirement described in the City's Home Rule Charter and the budgets were not amended.

We recommend that the City consider amending the Home Rule Charter to reflect the Louisiana Statutes as well as monitoring more closely budget to actual statements during the year to comply with this requirement.

Management of the City concurs with this finding and the recommendations will be implemented immediately

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2008****D. Findings-Financial Statement Audit****2007-1 BUDGET AMENDMENTS**

**Condition:** The City's Home Rule Charter requires that the City amend its operating budget when actual revenues fail to meet budgeted revenues or when actual expenditures exceed budgeted expenditures. This differs and is stricter than Louisiana Statutes which require the City to amend its operating budget when:

- Total Revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
- Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

Since the City's Home Rule Charter is stricter than Louisiana Statutes, the City must abide by the Home Rule Charter. For the year ended June 30, 2007, three of the City's funds met the requirement described in the City's Home Rule Charter and the budgets were not amended.

**Current Status:** This finding still exists and is noted in the current audit for the year ending June 30, 2008. (See current finding noted in 2008-1).

**2007-2 BOND RESERVE REQUIREMENTS**

**Condition:** The City of Donaldsonville failed to comply with certain requirements of the loan and pledge agreement which governs the Sewerage District No. 1 Revenue Bonds, Series 1995 and 1969 and Certificates of Indebtedness Series 2006. The City failed to properly fund the "Sinking Funds" and the "Sewer Revenue Bond Fund" sinking fund.

**Current Status:** This finding has been corrected for the year ending June 30, 2008.

**2007-3 UNDER BILLED SEWER CUSTOMERS**

**Condition:** The City of Donaldsonville under billed sewer customers for ten of the twelve months of the year. The number of gallons of water used was imported incorrectly from the People's Water Company information after a transition to a new computer system. The management of the City failed to detect this error for an extended period of time.

**Current Status:** This finding has been corrected for the year ending June 30, 2008.

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2008**

**C. Findings-Financial Statement Audit--Continued**

**2007-4 FAILURE TO RECONCILE BANK ACCOUNTS TIMELY**

**Condition:** The City of Donaldsonville failed to reconcile the year end bank statements on a timely basis. The bank statements for the month ending June 30, 2007 were reconciled three months after year end.

**Current Status:** This finding has been corrected for the year ending June 30, 2008.

**2007-5 IMPROPER RECORDING OF CERTAIN TRANSACTIONS**

**Condition:** The City of Donaldsonville has recorded in its financial statements transfers between checking accounts that were not actually made at the bank until after year end.

**Current Status:** This finding has been corrected for the year ending June 30, 2008.

**2007-6 FINANCIAL STATEMENTS SUBMITTED NOT IN ACCORDANCE WITH GAAP**

**Condition:** The accounting personnel does not possess the necessary skills to prepare financial statements that include note disclosures that are required by Generally Accepted Accounting Principles.

**Current Status:** This finding has been corrected for the year ending June 30, 2008.

**2007-7 AUDIT ADJUSTMENTS AND RECLASSIFICATIONS**

**Condition:** Numerous adjusting journal entries were made by the auditors in order to have the financial statements reflect Generally Accepted Accounting Principles.

**Current Status:** This finding has been corrected for the year ending June 30, 2008.

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2008****C. Findings and Responses – Major Federal Award Programs Audit****2007-8 BUDGET AMENDMENTS**

**Condition:** The City's Home Rule Charter requires that the City amend its operating budget when actual revenues fail to meet budgeted revenues or when actual expenditures exceed budgeted expenditures. This differs and is stricter than Louisiana Statutes which require the City to amend its operating budget when:

- Total Revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
- Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.

Since the City's Home Rule Charter is stricter than Louisiana Statutes, the City must abide by the Home Rule Charter. For the year ended June 30, 2007, the City's only major fund met the requirement described in the City's Home Rule Charter and the budget was not amended.

**Current Status:** This finding still exists and is noted in the current audit for the year ending June 30, 2008. (See current finding noted 2008-3)

**2007-9 FAILURE TO RECONCILE BANK ACCOUNTS TIMELY**

**Condition:** The City of Donaldsonville failed to reconcile the year end bank statements on a timely basis. The bank statements for the month ending June 30, 2007 were reconciled three months after year end.

**Current Status:** This finding has been corrected for the year ending June 30, 2008



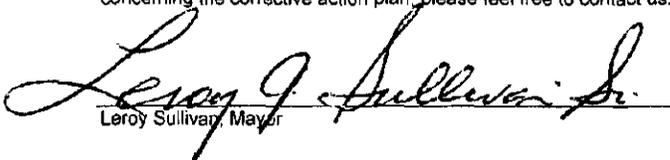
# City of Donaldsonville

LEROY J. SULLIVAN, SR., MAYOR

Corrective Action Plan for  
Current Year Audit Findings  
For the Year Ended June 30, 2008

<u>Ref No. *</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s) **</u>	<u>Anticipated Completion Date</u>
2008-1	Budget Amendments	The City Charter will be amended to reflect Louisiana Statutes as well as more closely monitoring budget to actual amounts	Sandra Cost Leroy Sullivan	Monthly basis
2008-2	Internal Control Over Service Disconnection	Monitoring of disconnection of services for nonpayment at a higher level of management and see that the delinquent balance is collected.	Sandra Cost Leroy Sullivan	Monthly basis
2008-3	Public Bid Law	Advertise and let by contract to the lowest bidder for purchases of materials and supplies greater than \$20,000.	Sandra Cost Leroy Sullivan	Monthly basis
2008-4	Budget Amendments	The City Charter will be amended to reflect Louisiana Statutes as well as more closely monitoring budget to actual amounts	Sandra Cost Leroy Sullivan	Monthly basis

The above corrective action plan addresses the auditor's current year findings. If you need additional information concerning the corrective action plan, please feel free to contact us.

  
Leroy Sullivan, Mayor

\* Reference number the auditor assigns to the audit finding.  
\*\* Name(s) of contact person(s) responsible for corrective action.

# Waguespack & Gallagher, LLC

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS ADVISORS

Post Office Box 250

Napoleonville, LA 70390

Michael J. Waguespack, CPA, PC

Timothy J. Gallagher, CPA, PC

Phone (985) 369-2515

Fax (985) 369-2535

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Tia T. Barbera, CPA

Bryce A. Ledet, CPA

Sarah M. Gallagher, CPA

Elaine T. Waguespack, CPA

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members  
Of the Commission Council  
City of Donaldsonville, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Donaldsonville, Louisiana (the City), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 17, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying summary schedule of current year findings and responses as item 2008-2 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. However, we believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying summary schedule of current year findings and responses as items 2008-1 and 2008-3.

The City of Donaldsonville's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City's responses, and accordingly, we express no opinion on them.

This report is intended for the information of the management of the City's office and the Legislative Auditor and interested state and federal agencies and is not intended to be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Waguespack + Gallagher, LLC*

December 17, 2008  
Napoleonville, Louisiana

# Waguespack & Gallagher, LLC

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS ADVISORS

Post Office Box 250

Napoleonville, LA 70390

Michael J. Waguespack, CPA, PC

Timothy J. Gallagher, CPA, PC

Phone (985) 369-2515

Fax (985) 369-2535

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Tia T. Barbera, CPA

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Elaine T. Waguespack, CPA

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and Members  
Of the Commission Council  
City of Donaldsonville, Louisiana

### Compliance

We have audited the compliance of the City of Donaldsonville, Louisiana (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and responses. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

As described in item 2008-4 in the accompanying Schedule of Findings and Responses, the City did not comply with the requirements regarding budget proposals and amendments that are applicable to its major fund. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

### Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major

federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the City's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be or material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Commission Council, the Legislative Auditor for the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Waguespack + Gallagher, LLC*

December 17, 2008  
Napoleonville, Louisiana

# Waguespack & Gallagher, LLC

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Elaine T. Waguespack, CPA

## MANAGEMENT LETTER

To the Honorable Mayor and Members  
of the Commission Council  
City of Donaldsonville, Louisiana

During the audit of the basic financial statements of the City of Donaldsonville, Louisiana as of June 30, 2008 and for the year then ended, we noted certain areas in which the efficiency and effectiveness of the operations and/or compliance with certain laws and regulations could be improved. Our comments are not intended to reflect upon the ability or integrity of the City's personnel.

### Gas and Sewer Disconnections

During our audit, we noticed that on a monthly basis, some accounts listed on the disconnect list were being excluded from cut-off of services list. This decision is being made at a lower level, and therefore, it is our recommendation that the disconnect list be reviewed each month by the Mayor.

It is also our recommendation that, in order to set up a payment plan on an account, an agreement must be signed by the customer and the Finance Director and submitted to the mayor with the disconnect list on a monthly basis. Once a customer is in violation on his agreement, services should be disconnected that month.

### Occupational and Insurance Licenses

During our audit, we noticed that some applications for insurance and occupational licenses were not fully completed. We recommend that upon acceptance of insurance and occupational license applications the application be examined and not accepted unless it is fully completed.

We would like to thank you and your staff for the assistance rendered to us in the performance of our audit. Should you have any questions or need assistance, please feel free to contact us.

*Waguespack + Gallagher, LLC*

December 17, 2008

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4749 Highway 308  
P.O. Box 250  
Napoleonville, LA 70390  
Phone (985) 369-2515  
Fax (985) 369-2535

700 Canal Boulevard  
Thibodaux, LA 70301  
Phone (985) 448-2149  
Fax (985) 448-3791



# City of Donaldsonville

LEROY J. SULLIVAN, SR., MAYOR

January 22, 2009

Waguespack & Gallagher, LLC  
P. O. Box 250  
Napoleonville, LA 70390

Dear Tia:

In response to the Management Letter I received from Waguespack & Gallagher, the following changes have been made:

#### Gas and Sewer Disconnections

Policy has been established whereby I review the Disconnect List every month before disconnects are done. Also, on all payment plans in lieu of disconnects, an agreement will be signed by the customer. Any violation of this agreement will result in the utility being disconnected.

#### Occupational and Insurance Licenses

Sandra Cost has met with the office personnel in charge of licenses to instruct them to review all licenses for completion. No license will be accepted unless fully completed.

Thanks for your assistance in helping to improve the City of Donaldsonville's financial operation.

Sincerely,

A handwritten signature in cursive script that reads "Leroy J. Sullivan Sr.".

Leroy J. Sullivan Sr., Mayor

LS/jm