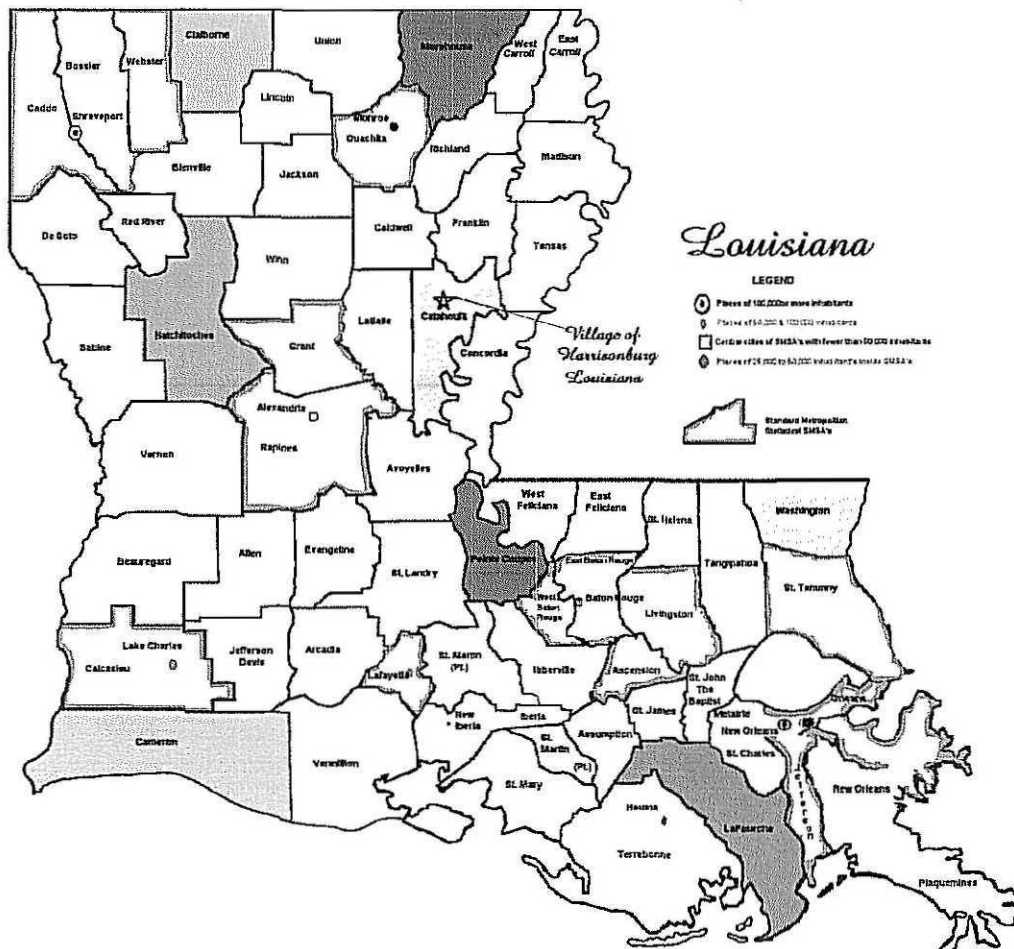


**VILLAGE OF HARRISONBURG, LOUISIANA**

**Annual Financial Statements**

**JUNE 30, 2012**

# VILLAGE OF HARRISONBURG HARRISONBURG, LOUISIANA



✓ The Village of Harrisonburg was incorporated October 18, 1923, under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

**Village of Harrisonburg, Louisiana**  
**Table of Contents**  
**June 30, 2012**

	Schedule	Page
Independent Auditor's Report.....		1-2
Management's Discussion and Analysis.....		3-7
<b>Basic Financial Statements</b>		
Statement of Net Assets.....	A	9
Statement of Activities.....	B	10
Balance Sheet, Governmental Funds.....	C	11
Reconciliation of The Government Funds Balance Sheet to the Government- Wide Financial Statement of Net Assets.....	D	12
Statement of Revenues, Expenditures & Changes in Fund Balances – Governmental Funds.....	E	13
Reconciliation of The Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F	14
Statement of Net Assets, Proprietary Funds.....	G	15
Statement of Revenues, Expenses & Changes in Net Assets – Proprietary Funds.....	H	16
Statement of Cash Flows – Proprietary Funds.....	I	17
Statement of Fiduciary Net Assets.....	J	18
Notes to the Basic Financial Statements.....		19-30
<b>Required Supplemental Information</b>		
Statement of Revenues, Expenditures, & Changes in Fund Balance – Budget & Actual – General Fund.....	I	32
<b>Other Reports</b>		
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.....		34-35
Schedule of Findings and Questioned Costs.....		36-38
Management Letter Comments.....		39
Management's Summary of Prior Year Findings.....		40

John R. Vercher C.P.A.  
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.  
jonathanvercher@centurytel.net

**JOHN R. VERCHER PC**  
**Certified Public Accountants**

P.O. Box 1608  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Michael Tubre, Mayor  
& Members of the Village Council  
Harrisonburg, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities and aggregate remaining fund information of the Village of Harrisonburg, Louisiana, as of and for the year ended June 30, 2012, which collectively comprises the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Harrisonburg, Louisiana's management. Our responsibility is to express opinions on these 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, the business-type activities and aggregate remaining fund information of the Village of Harrisonburg, Louisiana, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof 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 October 24, 2012, on our consideration of the Village of Harrisonburg's internal control over financial reporting and on our test 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 assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*John R. Vercher PC*

October 24, 2012

Jena, Louisiana

# Village of Harrisonburg

PO Box 320

Harrisonburg, Louisiana 71340

Tel: (318) 744-5794

Fax: (318) 744-5381

---

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

---

As management of the Village, we offer readers of the Village of Harrisonburg's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

### FINANCIAL HIGHLIGHTS

#### *Governmental Funds*

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$562,303 (*net assets*). This is a \$35,927 decrease from last year.
- The Village had total revenue of \$164,715. This is a \$23,811 decrease from last year's revenues, mainly due to a decrease in grant monies in the amount of \$33,653.
- The Village had total expenditures of \$198,102, which is an \$8,052 increase from last year, mainly due an increase in general government expenditures in the amount of \$46,514.

#### *Enterprise Funds*

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,804,261 (*net assets*). This is a \$94,910 decrease from last year.
- The Village had total revenue of \$593,999. This is a \$53,761 decrease from last year, mainly due to a decrease in capital grants in the amount of \$24,963 and a decrease in charges for services in the amount of \$28,795.
- The Village had total expenses of \$694,111. This is an \$84,302 decrease from last year, mainly due to a decrease in administration expense in the amount of \$56,996.

---

---

## MD&A

---

---

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Village is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

### FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### USING THIS ANNUAL REPORT

The Village's annual report consists of financial statements that show information about the Village's funds, enterprise funds and governmental funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

### REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

The Village's financial statements provide detailed information about the most significant funds. The Village may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Village's enterprise fund uses the following accounting approach:

All of the Village's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

## MD&A

### Governmental Funds

Comparative Statement of Net Assets as of June 30, 2012:

	2011	2012	% Change
<b>Assets</b>			
Cash & Investments	\$ 111,929	\$ 84,834	-24.2%
Receivables (Net)	6,630	3,459	-47.8%
Capital Assets, Net of Accumulated Depreciation	485,854	478,588	-1.5%
<b>Total Assets</b>	<b>604,413</b>	<b>566,881</b>	<b>-6.2%</b>
<b>Liabilities &amp; Net Assets</b>			
Accounts, Salaries, & Other Payables	6,183	4,578	-26.0%
<b>Total Liabilities</b>	<b>6,183</b>	<b>4,578</b>	<b>-26.0%</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	485,854	478,588	-1.5%
Unrestricted	112,376	83,715	-25.5%
<b>Total Net Assets</b>	<b>\$ 598,230</b>	<b>\$ 562,303</b>	<b>-6.0%</b>

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2012:

	2011	2012	% Change
<b>Revenues</b>			
Fees & Charges	\$ 55,605	\$ 58,547	5.3%
Taxes	57,843	62,345	7.8%
Fines	1,667	3,996	139.7%
Grants	58,653	25,000	-57.4%
Intergovernmental Revenues Other	14,758	14,827	0.5%
<b>Total Revenues</b>	<b>188,526</b>	<b>164,715</b>	<b>-12.6%</b>
<b>Expenditures</b>			
General Government	65,941	112,455	70.5%
Public Safety	4,874	6,320	29.7%
Fire	10,920	10,963	0.4%
Sanitation	33,308	15,227	-54.3%
Capital Outlay	75,007	53,137	-29.2%
<b>Total Expenditures</b>	<b>190,050</b>	<b>198,102</b>	<b>4.2%</b>
<b>Excess (Deficiency) of Revenues Over Under Expenditures</b>	<b>(1,524)</b>	<b>(33,387)</b>	<b>-2,090.7%</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In/(Out)	19,950	4,726	-76.3%
<b>Total Other Financing Sources (Uses)</b>	<b>19,950</b>	<b>4,726</b>	<b>-76.3%</b>
<b>Net Change in Fund Balance</b>	<b>18,426</b>	<b>(28,661)</b>	<b>-255.5%</b>
<b>Fund Balances - Beginning</b>	<b>93,950</b>	<b>112,376</b>	<b>19.6%</b>
<b>Fund Balances - Ending</b>	<b>\$ 112,376</b>	<b>\$ 83,715</b>	<b>-25.5%</b>



## MD&A

### Enterprise Funds

Comparative Statement of Net Assets as of June 30, 2012:

Assets	2011	2012	% Change
Cash	\$ 58,184	\$ 37,807	-35.0%
Receivables (Net)	39,560	35,956	-9.1%
Restricted Assets	9,367	9,378	0.1%
Capital Assets, Net of Accumulated Depreciation	2,261,831	2,166,328	-4.2%
<b>Total Assets</b>	<b>2,368,942</b>	<b>2,249,469</b>	<b>-5.0%</b>
<b>Liabilities &amp; Net Assets</b>			
Accounts, Salaries, & Other Payables	13,695	9,842	-28.1%
Due to Other Funds	6,277	7,353	17.1%
Current Bonds & Interest Payable	25,031	14,613	-41.6%
Bonds Payable	424,768	413,400	-2.7%
<b>Total Liabilities</b>	<b>469,771</b>	<b>445,208</b>	<b>-5.2%</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	1,812,032	1,741,727	-3.9%
Unrestricted	87,139	62,534	-28.2%
<b>Total Net Assets</b>	<b>\$ 1,899,171</b>	<b>\$ 1,804,261</b>	<b>-5.0%</b>

Comparative Statement of Revenues, Expenses & Changes in Net Assets for the year ended June 30, 2012.

Operating Revenues	2011	2012	% Change
Water Sales	\$ 87,754	\$ 91,061	3.8%
Sewer Charges	54,498	53,041	-2.7%
Gas Sales	480,529	449,884	-6.4%
<b>Total Operating Revenues</b>	<b>622,781</b>	<b>593,986</b>	<b>-4.6%</b>
<b>Operating Expenses</b>			
Cost of Sales & Services	302,538	274,207	-9.4%
Administration	363,421	306,425	-15.7%
Depreciation	93,693	95,503	1.9%
<b>Total Operating Expenses</b>	<b>759,652</b>	<b>676,135</b>	<b>-11.0%</b>
<b>Operating Income (Loss)</b>	<b>(136,871)</b>	<b>(82,149)</b>	<b>40.0%</b>
<b>Nonoperating Revenue (Expenses)</b>			
Interest Earnings	16	13	-18.8%
Interest Expense	(18,761)	(17,976)	-4.2%
<b>Total Nonoperating Revenue (Expenses)</b>	<b>(18,745)</b>	<b>(17,963)</b>	<b>-4.2%</b>
<b>Income Before Contributions &amp; Transfers</b>	<b>(155,616)</b>	<b>(100,112)</b>	<b>35.7%</b>
<b>Transfers In/(Out)</b>	<b>(19,950)</b>	<b>(4,726)</b>	<b>76.3%</b>
<b>Capital Contributions</b>	<b>24,963</b>	<b>-0-</b>	<b>-100.0%</b>
<b>Change in Net Assets</b>	<b>(150,603)</b>	<b>(104,838)</b>	<b>30.4%</b>
<b>Prior Period Adjustment</b>	<b>-0-</b>	<b>9,928</b>	<b>100.0%</b>
<b>Total Net Assets - Beginning</b>	<b>2,049,774</b>	<b>1,899,171</b>	<b>-7.3%</b>
<b>Total Net Assets - Ending</b>	<b>\$ 1,899,171</b>	<b>\$ 1,804,261</b>	<b>-5.0%</b>

---

---

## MD&A

---

---

### CAPITAL ASSETS

#### *Capital Assets – Governmental Funds*

At June 30, 2012, the Village had \$478,588 invested in capital assets, including the following:

	Capital Assets at Year-End	
	2011	2012
Land (Not Depreciated)	\$ 12,000	\$ 12,000
Capital Assets	721,269	774,406
Accumulated Depreciation	(247,415)	(307,818)
<b>Total</b>	<b>\$ 485,854</b>	<b>\$ 478,588</b>


#### *Capital Assets – Enterprise Funds*

At June 30, 2012, the Village had \$2,166,328 invested in capital assets, including the following:

	Capital Assets at Year-End	
	2011	2012
Land (Not Depreciated)	\$ 10,485	\$ 10,485
Gas System	1,618,381	1,618,381
Water System	811,378	811,378
Sewer System	1,651,885	1,651,885
Accumulated Depreciation	(1,830,298)	(1,925,801)
<b>Total</b>	<b>\$ 2,261,831</b>	<b>\$ 2,166,328</b>

### CONTACTING THE VILLAGE'S FINANCIAL MANGEMENT:

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Michael Tubre at the Village Hall, phone number (318) 744-5794.



**Basic Financial Statements**

**Village of Harrisonburg, Louisiana**  
**Statement of Net Assets**  
**June 30, 2012**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>Assets</b>			
Cash & Cash Equivalents	\$ 84,834	\$ 37,807	\$ 122,641
Receivables (Net of Allowances)	3,459	35,956	39,415
Restricted Assets	-0-	9,378	9,378
Capital Assets (Net of Accumulated Depreciation)	478,588	2,166,328	2,644,916
<b>Total Assets</b>	<b>566,881</b>	<b>2,249,469</b>	<b>2,816,350</b>
<b>Current Liabilities</b>			
Accounts, Salaries, & Other Payables	4,578	9,842	14,420
Due to Other Funds	-0-	7,353	7,353
Current Bonds & Interest (Payable from Restricted Assets)	-0-	14,613	14,613
<b>Total Current Liabilities</b>	<b>4,578</b>	<b>31,808</b>	<b>36,386</b>
<b>Non Current</b>			
Revenue Bonds & Notes Payable	-0-	413,400	413,400
<b>Total Non Current Liabilities</b>	<b>-0-</b>	<b>413,400</b>	<b>413,400</b>
<b>Total Liabilities</b>	<b>4,578</b>	<b>445,208</b>	<b>449,786</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	478,588	1,741,727	2,220,315
Restricted	-0-	-0-	-0-
Unrestricted	83,715	62,534	146,249
<b>Total Net Assets</b>	<b>\$ 562,303</b>	<b>\$ 1,804,261</b>	<b>\$ 2,366,564</b>

The accompanying notes are an integral part of this statement.

**Village of Harrisonburg, Louisiana**  
**Statement of Activities**  
**For the Year Ended June 30, 2012**

	PROGRAM REVENUES			Net (Expenses) Revenue	NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Capital Grants		Governmental Activities	Business Type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ (205,368)	\$ 58,547	\$ 25,000	\$ (121,821)	\$ (121,821)		\$ (121,821)
Interest on Long-Term Debt	-0-	-0-		-0-	-0-		-0-
<b>Total Governmental Activities</b>	<u>(205,368)</u>	<u>58,547</u>	<u>25,000</u>	<u>(121,821)</u>	<u>(121,821)</u>		<u>(121,821)</u>
<b>Business Type Activities</b>							
Sewer, Water, & Gas	(676,135)	593,986	-0-	(82,149)	\$ (82,149)		(82,149)
Interest on Long-Term Debt	(17,976)	-0-		(17,976)	(17,976)		(17,976)
<b>Total Business Type Activities</b>	<u>(694,111)</u>	<u>593,986</u>	<u>-0-</u>	<u>(100,125)</u>	<u>(100,125)</u>		<u>(100,125)</u>
<b>Total Primary Government</b>	<u>\$ (899,479)</u>	<u>\$ 652,533</u>	<u>\$ 25,000</u>	<u>\$ (221,946)</u>			<u>(221,946)</u>
	<b>General Revenues</b>						
				62,345	-0-		62,345
				3,996	-0-		3,996
				14,827	-0-		14,827
				-0-	13		13
				4,726	(4,726)		-0-
				<u>85,894</u>	<u>(4,713)</u>		<u>81,181</u>
				(35,927)	(104,838)		(140,765)
				-0-	9,928		9,928
				598,230	1,899,171		2,497,401
				<u>\$ 562,303</u>	<u>\$ 1,804,261</u>		<u>\$ 2,366,564</u>

The accompanying notes are an integral part of this statement.

**Village of Harrisonburg, Louisiana  
Balance Sheet, Governmental Funds  
June 30, 2012**

	<b>GENERAL</b>
<b>Assets</b>	
Cash & Cash Equivalents	\$ 84,834
Receivables (Net of Allowances for Uncollectables)	3,459
<b>Total Assets</b>	<b>88,293</b>
 <b>Liabilities</b>	
Accounts, Salaries, & Other Payables	4,578
<b>Total Liabilities</b>	<b>4,578</b>
 <b>Fund Balance</b>	
Unassigned	83,715
<b>Total Fund Balance</b>	<b>83,715</b>
 <b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 88,293</b>

The accompanying notes are an integral part of this statement.

**Village of Harrisonburg, Louisiana**  
**Reconciliation of The Government Funds Balance Sheet**  
**to the Government-Wide Financial Statement of Net Assets**  
**June 30, 2012**

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 83,715
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	478,588
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Other	<u>-0-</u>
Net Assets of Governmental Activities (Statement A)	<u>\$ 562,303</u>

The accompanying notes are an integral part of this statement.

**Village of Harrisonburg, Louisiana**  
**Statement of Revenues, Expenditures &**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2012**

	<u>GENERAL</u>
<b>Revenues</b>	
Fees & Charges	\$ 58,547
Taxes	62,345
Fines	3,996
Grants	25,000
Intergovernmental Revenues Other	14,827
<b>Total Revenues</b>	<u>164,715</u>
<b>Expenditures</b>	
General Government	112,455
Public Safety	6,320
Fire	10,963
Sanitation	15,227
Capital Outlay	53,137
<b>Total Expenditures</b>	<u>198,102</u>
<b>Excess (Deficiency) of Revenues Over Under Expenditures</b>	<u>(33,387)</u>
<b>Other Financing Sources (Uses)</b>	
Transfers In/(Out)	4,726
<b>Total Other Financing Sources (Uses)</b>	<u>4,726</u>
<b>Net Change in Fund Balance</b>	(28,661)
<b>Fund Balances - Beginning</b>	112,376
<b>Fund Balances - Ending</b>	<u>\$ 83,715</u>

The accompanying notes are an integral part of this statement.



**Village of Harrisonburg, Louisiana**  
**Reconciliation of The Statement of Revenues, Expenditures,**  
**& Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2012**

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

Net Change in Fund Balances, Total governmental Funds, Statement E \$ (28,661)

Governmental funds report capital outlays as expenditure. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Purchases	53,137	
Depr. Expense	<u>(60,403)</u>	(7,266)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt Issued	-0-	
Principal Paid	<u>-0-</u>	<u>-0-</u>

Changes in Net Assets of Governmental Activities, statement B \$ (35,927)

The accompanying notes are an integral part of this statement.

**Village of Harrisonburg, Louisiana**  
**Statement of Net Assets, Proprietary Funds**  
**June 30, 2012**

	<b>ENTERPRISE FUNDS</b>
<b>Current Assets</b>	
Cash & Cash Equivalents	\$ 37,807
Receivables (Net of Allowances For Uncollectibles)	35,956
<b>Total Current Assets</b>	73,763
<b>Non-Current Assets</b>	
Restricted Assets	9,378
Capital Assets (Net of Accumulated Depreciation)	2,166,328
<b>Total Non-Current Assets</b>	2,175,706
<b>Total Assets</b>	2,249,469
<b>Current Liabilities</b>	
Accounts, Salaries, & Other Payables	9,842
Due To Other Funds	7,353
<b>Total Current Liabilities</b>	17,195
<b>Current Liabilities Payable From Restricted Assets</b>	
Current Bonds & Interest Payable	14,613
<b>Total Current Liabilities Payable From Restricted Assets</b>	14,613
<b>Total Current Liabilities</b>	31,808
<b>Non Current Liabilities</b>	
Revenue Bonds & Notes Payable	413,400
<b>Total Non Current Liabilities</b>	413,400
<b>Total Liabilities</b>	445,208
<b>Net Assets</b>	
Invested in Capital Assets Net of Related Debt	1,741,727
Restricted	-0-
Unrestricted	62,534
<b>Total Net Assets</b>	\$ 1,804,261

The accompanying notes are an integral part of this statement.

**Village of Harrisonburg, Louisiana**  
**Statement of Revenues, Expenses & Changes in Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	<b>ENTERPRISE FUNDS</b>
<b>Operating Revenues</b>	
Charges for Services:	
Water Sales	\$ 91,061
Sewer Charges	53,041
Gas Sales	449,884
<b>Total Operating Revenues</b>	593,986
<b>Operating Expenses</b>	
Cost of Sales & Services	274,207
Administration	306,425
Depreciation	95,503
<b>Total Operating Expenses</b>	676,135
<b>Operating Income (Loss)</b>	(82,149)
<b>Nonoperating Revenue (Expenses)</b>	
Interest Earnings	13
Interest Expense	(17,976)
<b>Total Nonoperating Revenue (Expenses)</b>	(17,963)
<b>Income Before Contributions &amp; Transfers</b>	(100,112)
<b>Other Financing Sources (Uses)</b>	
Transfers In/(Out)	(4,726)
<b>Total Other Financing Sources (Uses)</b>	(4,726)
<b>Change in Net Assets</b>	(104,838)
<b>Prior Period Adjustment</b>	9,928
<b>Total Net Assets - Beginning</b>	1,899,171
<b>Total Net Assets - Ending</b>	\$ 1,804,261

The accompanying notes are an integral part of this statement.

**Village of Harrisonburg, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**June 30, 2012**

	<b>ENTERPRISE FUNDS</b>
<b>Cash Flows From Operating Activities</b>	
Receipts From Customers & Users	\$ 597,590
Payments to Suppliers	(278,717)
Payments to Employees	(305,349)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>13,524</b>
<b>Cash Flows From NonCapital Financing Activities</b>	
Transfers to Other Funds	(4,726)
<b>Net Cash Provided (Used) by NonCapital Financing Activities</b>	<b>(4,726)</b>
<b>Cash Flows From Capital &amp; Related Financing Activities</b>	
Principal on Capital Debt	(11,201)
Interest Paid on Capital Debt	(17,976)
<b>Net Cash Provided (Used) by Capital &amp; Related Financing Activities</b>	<b>(29,177)</b>
<b>Cash Flows From Investing Activities</b>	
Restricted Assets	(11)
Interest and Dividends Received	13
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>2</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(20,377)</b>
<b>Cash &amp; Cash Equivalents, Beginning of Year</b>	<b>58,184</b>
<b>Cash &amp; Cash Equivalents, End of Year</b>	<b>37,807</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>	
Operating Income (Loss)	(82,149)
Depreciation Expense	95,503
(Increase) Decrease in Accounts Receivable	3,604
Increase (Decrease) in Accounts Payables	(3,853)
Increase (Decrease) in Due to Other Funds	1,076
Increase (Decrease) in Accrued Interest	(657)
<b>Total Adjustments</b>	<b>95,673</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 13,524</b>

The accompanying notes are an integral part of this statement.

**Village of Harrisonburg, Louisiana**  
**Statement of Fiduciary Net Assets**  
**June 30, 2012**

		<u>PAYROLL AGENCY FUND</u>
<b>Assets</b>		
Cash & Cash Equivalents	\$	23
Due From Other Funds		<u>7,353</u>
<b>Total Assets</b>		<u><u>7,376</u></u>
<b>Liabilities</b>		
Accrued Payroll & Taxes		<u>7,376</u>
<b>Total Liabilities</b>		<u><u>7,376</u></u>
<b>Net Assets</b>		
Held in Trust For	\$	<u><u>-0-</u></u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic  
Financial Statements**

# VILLAGE OF HARRISONBURG, LOUISIANA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Harrisonburg was incorporated October 18, 1923, under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The Village applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The accounting and reporting policies of the Village of Harrisonburg conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

#### A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 meetings 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

# VILLAGE OF HARRISONBURG, LOUISIANA

## NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

### **B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are 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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The municipality reports the following major governmental funds:

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

The municipality reports the following major proprietary funds:

- Water Fund
- Sewer Fund
- Gas Fund

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.



**VILLAGE OF HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. Principal operating revenues are utility billings. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village has a policy of applying expenses to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**C. CASH, CASH EQUIVALENTS, & INVESTMENTS – (C.D.'s IN EXCESS OF 90 DAYS)**

***Deposits***

It is the Village's policy for deposits (demand checking accounts, savings accounts, and certificate of deposits) to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village's deposits are categorized to give an indication of the level of risk assumed by the Village at year end. The categories are describes as follows:

- **Category 1** – Insured or collateralized with securities held by the Village or by its agent in the Village's name.
- **Category 2** – Collateralized with securities held by the pledging financial institution's trust department or agent in the Village's name.
- **Category 3** – Uncollateralized.

	<b>Southern Heritage</b>	<b>Catahoula LaSalle</b>	<b>Concordia Bank</b>	<b>Total</b>
<b>Bank Balances</b>	\$ <u>89,809</u>	\$ <u>36,708</u>	\$ <u>6,177</u>	\$ <u>132,694</u>
<b><i>Secured As Follows</i></b>				
FDIC ( <i>Category 1</i> )	89,809	36,708	6,177	132,694
Securities ( <i>Category 2</i> )	-0-	-0-	-0-	-0-
Uncollateralized ( <i>Category 3</i> )	-0-	-0-	-0-	-0-
<b>Total</b>	\$ <u>89,809</u>	\$ <u>36,708</u>	\$ <u>6,177</u>	\$ <u>132,694</u>

All deposits were fully secured as of June 30, 2012.

**VILLAGE OF HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**D. INVENTORIES**

Inventories of materials and supplies are considered to be expenditures at the time purchased. Amounts on hand at the financial statement date are considered immaterial and therefore not included on the statements of assets and liabilities.

**E. ACCOUNTS RECEIVABLE & ALLOWANCES FOR BAD DEBTS**

Uncollectable amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectables of the receivable. Below is a summary of accounts receivable and allowance for bad debts by funds:

	<b>General Fund</b>	<b>Enterprise Funds</b>	<b>Total</b>
Accounts Receivable	\$ 3,459	\$ 37,754	\$ 41,213
Allowances for Bad Debt	-0-	(1,798)	(1,798)
<b>Total</b>	\$ 3,459	\$ 35,956	\$ 39,415

**2. AD VALOREM TAXES**

For the year ended June 30, 2012, taxes of 7.05 mills were levied on property with assessed valuations totaling, \$1,231,390 and were dedicated as follows:

General Corporate Purposes	7.05
----------------------------	------

Total taxes levied were \$8,682. Taxes are due October 15 of each year and become delinquent January 1.

**3. RESTRICTED ASSETS - PROPRIETARY FUND TYPES**

Restricted assets were applicable to the following at June 30, 2012:

	<b>Sewer</b>	<b>Water</b>	<b>Gas</b>	<b>Total</b>
Customer Deposits	\$ -0-	\$ -0-	\$ 1,586	\$ 1,586
Sewer Revenue Reserve	2,676	-0-	-0-	2,676
Bond Reserve Account	-0-	1,978	-0-	1,978
Depreciation Reserve Account	-0-	2,127	-0-	2,127
Revenue Sinking	-0-	1,011	-0-	1,011
<b>Total</b>	\$ 2,676	\$ 5,116	\$ 1,586	\$ 9,378

**VILLAGE OF HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**4. CHANGES IN FIXED ASSETS – PROPRIETARY FUNDS**

A summary of enterprise fund plant and equipment at June 30, 2012, follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Gas System*	\$ 1,628,381	\$ -0-	\$ -0-	\$ 1,628,381
Water System*	811,863	-0-	-0-	811,863
Sewer System*	1,651,885	-0-	-0-	1,651,885
<b>Total</b>	<u>4,092,129</u>	<u>-0-</u>	<u>-0-</u>	<u>4,092,129</u>
Less: Accumulated Depreciation	(1,830,298)	(95,503)	-0-	(1,925,801)
<b>Net</b>	<u>\$ 2,261,831</u>	<u>\$ (95,503)</u>	<u>\$ -0-</u>	<u>\$ 2,166,328</u>

\*Land in the amount of \$10,000 in the Gas System is not being depreciated.

\*Land in the amount of \$485 in the Water System is not being depreciated.

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

Vehicles and Equipment	5-10 years
Gas, Water, & Sewer Systems	40 years

**5. CHANGES IN GENERAL FIXED ASSETS – GOVERNMENTAL FUNDS**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Fixed Assets*	\$ 733,269	\$ 53,137	\$ -0-	\$ 786,406
Accumulated Depreciation	(247,415)	(60,403)	-0-	(307,818)
<b>Net Fixed Assets</b>	<u>\$ 485,854</u>	<u>\$ (7,266)</u>	<u>\$ -0-</u>	<u>\$ 478,588</u>

\*Land in the amount of \$12,000 is included in the fixed assets and is not being depreciated.

Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives as follows:

Vehicles and Equipment	5-10 years
Parking Lot	20 years

**VILLAGE OF HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**6. CHANGES IN LONG-TERM DEBT**

The following is a summary of revenue bond transactions and general obligation debt transactions of the Village of Harrisonburg for the year ended June 30, 2012.

	Water Revenue Bonds	Sewer Revenue Bonds	Total
Bonds & Notes Payable - Beginning	\$ 86,588	\$ 349,214	\$ 435,802
Additions	-0-	-0-	-0-
Principal Retirements	(7,000)	(4,201)	(11,201)
<b>Total</b>	<b>\$ 79,588</b>	<b>\$ 345,013</b>	<b>\$ 424,601</b>

Bonds payable at June 30, 2012, are comprised of the following issues:

**Revenue Bonds**

\$200,000 of 2008 Sewer Revenue Bonds due annually in installments of \$10,868.62 starting 10/21/09 and ending 10/21/48; interest at 4.5%.	\$ 194,631
\$156,000 of 2008 Sewer Revenue Bonds due annually in installments of \$7,447.33 starting 10/21/09 and ending 10/21/48; interest at 3.625%.	150,382
\$ 202,600 of 1980 Water Revenue Bonds due annually in installments of \$1,000 to \$10,600 through July 22, 2020; interest at 5 percent due annually.	79,588
<b>Total</b>	<b>\$ 424,601</b>

The annual requirements to amortize all debt outstanding as of June 30, 2012, including interest payments, are as follows:

Year Ending June 30,	Total
2013	\$ 30,446
2014	30,046
2015	29,646
2016	30,246
2017	28,796
2018-2022	126,170
2023-2027	91,580
2028-2032	91,580
2033-2037	91,580
2038-2042	91,580
2043-2047	91,580
2048-2052	36,633
<b>Total</b>	<b>\$ 769,883</b>

## VILLAGE OF HARRISONBURG, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

#### 7. FLOW OF FUNDS; RESTRICTIONS ON USE - ENTERPRISE FUND REVENUE

As of June 30, 2012, the Village of Harrisonburg has one issue of water revenue bonds and three issues of sewer revenue bonds outstanding. The flow of funds and restrictions on use are governed by the bond indentures and the note resolution, the terms of which are summarized as follows:

- (a) For the payment of all expenses of operation and maintenance of each system.
- (b) For the maintenance of a bond or note redemption account, by transferring sufficient amounts to pay all principal and interest falling due in the ensuing twelve months.
- (c) For the maintenance of a reserve account, by making designated payments as follows:

Water Fund - There should be deposited five percent (5%) of the amount to be paid into the redemption account, until such time as there has been accumulated therein the sum of \$12,930.

Sewer Fund - There should be deposited ten percent (10%) of the amount to be paid into the redemption account, until such time as there has been accumulated therein the sum of \$26,500.

- (d) For the maintenance of a contingency and depreciation account, by making designated payments as follows:

Water Fund - There should be deposited fifty dollars (\$50.00) per month commencing with the month following completion of the improvements to the system.

Sewer Fund - There should be deposited one hundred fifty-three dollars (\$153.00) per month commencing with the month following completion of the improvements to the system.

The Village records restrictions to indicate that a portion of its net assets/fund balances are legally restricted for a specific future use. The following is a list of such restrictions and a description of each:

#### *Restricted - Revenue Bonds*

This amount represents monies restricted as required by the revenue bond indentures.

#### 8. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF HARRISONBURG, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED

9. LITIGATION

The Village of Harrisonburg is involved in no litigation at June 30, 2012, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

10. ELECTED OFFICIAL'S SALARIES

<u>Name</u>	<u>Term</u>	<u>Title</u>	<u>Annualized Salary</u>
Michael Tubre 757 Bushley St Harrisonburg, LA 71340 (318) 744-5613	2008 - Present	Mayor	\$ 6,000
Harold Sones PO Box 162 Harrisonburg, LA 71340 (318) 744-9668	2012 - Present	Alderman	\$ 4,800
Greg Terry PO Box 262 Harrisonburg, LA 71340 (318) 744-5547	2008 - Present	Alderman	\$ 4,800
Louis Hatten PO Box 16 Harrisonburg, LA 71340 (318) 744-9218	2012 - Present	Alderman	\$ 4,800
Lyndell Atkins PO Box 443 Harrisonburg, LA 71340 (318) 744-2879	2012 - Present	Chief of Police	\$ 39,135.60

11. PENSION PLAN

The Village provides benefits for all full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The entity contributes 3% of the employee's effective compensation. The Village's contributions for each employee (and interest allocated to the employee account) vest at 3% annually for each year of participation.

The Village's total payroll for the fiscal year ending June 30, 2012, was \$291,417. The Village's contributions were calculated using the base salary amount of \$35,874. Contributions to the plan were \$2,176 for the year ended June 30, 2012, of which \$1,076 was paid by the Village and \$1,100 was paid by employees.

**VILLAGE OF HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**12. DUE FROM (TO) OTHER FUNDS**

	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
Enterprise Fund	\$ -0-	\$ (7,353)
Agency Fund	7,353	-0-
<b>Total</b>	<b>\$ 7,353</b>	<b>\$ (7,353)</b>

Due From/To are the result of accrued payroll and related expenses.

**13. TRANSFERS BETWEEN FUNDS**

	<b>Governmental Funds</b>	<b>Enterprise Funds</b>
Transfers In (Out)	\$ 4,726	\$ (4,726)

Transfers were made for operational purposes.

**14. PAYROLL AGENCY FUND TRANSACTIONS**

	<b>Payroll Agency Fund</b>
Additions	\$ 303,537
Deductions	(303,537)
Change in Net Assets	-0-
<b>Net Assets – Beginning</b>	<b>-0-</b>
<b>Net Assets – Ending</b>	<b>\$ -0-</b>

**15. PRIOR PERIOD ADJUSTMENT**

A prior period adjustment in the amount of \$9,928 was made in the proprietary funds to correct prior year accrued interest.

**VILLAGE OF HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**16. WATER, SEWER, & GAS RATES**

<u>Water: (365 Customers)</u>	<u>Minimum Charge</u>	<u>Next</u>
Commercial	\$ 15.00 for 1 <sup>st</sup> 2,000 gals. water used	\$.003 per gallon water used thereafter
Residential	\$ 12.00 for 1 <sup>st</sup> 2,000 gals. water used	\$.003 per gallon water used thereafter
Schools	\$ 50.00 for 1 <sup>st</sup> 2,000 gals. water used	\$.003 per gallon water used thereafter
Housing Authority	\$ 81.00 for 1 <sup>st</sup> 2,000 gals. water used	\$.003 per gallon water used thereafter
<u>Sewer: (171 Customers)</u>		
Residential	\$ 13.50 for 1 <sup>st</sup> 2,000 gals. water used	\$.0015 per gallon water used thereafter
School	\$ 50.00 for 1 <sup>st</sup> 2,000 gals. water used	\$.002 per gallon water used thereafter
Housing Authority	\$ 50.00 for 1 <sup>st</sup> 2,000 gals. water used	\$.003 per gallon water used thereafter
<u>Gas: (566 Customers)</u>	<u>Flexible</u>	
Residential	\$ 21.00 for 1 <sup>st</sup> 2,000 used	
Residential	\$ 20.00 for 1 <sup>st</sup> 2,000 used	
School	\$ 21.00 for 1 <sup>st</sup> 2,000 used	
Housing Authority	\$150.00 for 1 <sup>st</sup> 2,000 used	



VILLAGE OF HARRISONBURG, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED

17. SCHEDULE OF INSURANCE

<u>Type</u>	<u>Agent</u>	<u>Amount</u>	<u>Date Expired</u>
General Liability	Louisiana Municipal Risk Management Agency	\$500,000	11/25/2014
Law Enforcement Officer – Government Crime Policy	Louisiana Municipal Risk Management Agency	\$500,000	11/25/2014
Errors & Omissions	Louisiana Municipal Risk Management Agency	\$500,000	11/25/2014
Auto Liability	Louisiana Municipal Risk Management Agency	\$500,000	11/25/2014

**Required Supplemental Information**

**Village of Harrisonburg, Louisiana**  
**Statement of Revenues, Expenditures, & Changes in Fund Balance**  
**Budget & Actual**  
**General Fund**  
**For the Year Ended June 30, 2012**

	Budget Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fees & Charges	\$ 409,055	\$ 40,000	\$ 58,547	\$ 18,547
Taxes	-0-	37,000	62,345	25,345
Fines	-0-	4,000	3,996	(4)
Grants	-0-	25,000	25,000	-0-
Intergovernmental Revenues Other	-0-	9,000	14,827	5,827
<b>Total Revenues</b>	409,055	115,000	164,715	49,715
<b>Expenditures</b>				
General Government	377,996	55,000	112,455	(57,455)
Public Safety	-0-	6,000	6,320	(320)
Fire	-0-	15,000	10,963	4,037
Sanitation	-0-	25,000	15,227	9,773
Capital Outlay	-0-	100,000	53,137	46,863
<b>Total Expenditures</b>	377,996	201,000	198,102	2,898
<b>Excess (Deficiency) of Revenues Over Under Expenditures</b>	31,059	(86,000)	(33,387)	52,613
<b>Other Financing Sources (Uses)</b>				
Transfers In/(Out)	-0-	-0-	4,726	4,726
<b>Total Other Financing Sources (Uses)</b>	-0-	-0-	4,726	4,726
<b>Net Change in Fund Balance</b>	\$ 31,059	\$ (86,000)	(28,661)	\$ 57,339
<b>Fund Balances - Beginning</b>			112,376	
<b>Fund Balances - Ending</b>			\$ 83,715	

The accompanying notes are an integral part of this statement.



**Other Reports**

John R. Vercher C.P.A.  
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.  
jonathanvercher@centurytel.net

**JOHN R. VERCHER PC**  
***Certified Public Accountants***

P.O. Box 1608  
Jena, Louisiana 71342  
Tel: (318) 992-6348  
Fax: (318) 992-4374

**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***

The Honorable Michael Tubre, Mayor  
& Members of the Village Council  
Harrisonburg, Louisiana

We have audited the accompanying basic financial statements of the Village of Harrisonburg, Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the Village's basic financial statements and have issued our report thereon dated October 24, 2012. 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.

***Internal Control Over Financial Reporting***

Management of the Village of Harrisonburg is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Village of Harrisonburg'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 Village of Harrisonburg's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Harrisonburg's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (**2012-I-1 Small Size of Entity**). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village of Harrisonburg's 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, except for the following item as described in the Schedule of Findings and Questioned Costs.

#### **2012-C-1 Bond Reserve Accounts Required by Bond Covenants**

The Village of Harrisonburg's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Village of Harrisonburg's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

*John R. Vercher PC*

October 24, 2012  
Jena, Louisiana

**VILLAGE OF HARRISONBURG  
HARRISONBURG, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended June 30, 2012**

We have audited the basic financial statements of the Village of Harrisonburg, Louisiana, as of and for the year ended June 30, 2012, and have issued our report thereon dated October 24, 2012. We conducted our audit in accordance with generally accepted auditing standards and the standards in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2012, resulted in an unqualified opinion.

**Section I - Summary of Auditor's Results**

**a. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses  Yes  No    Other Conditions  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

**b. Federal Awards (Not Applicable)**

Internal Control

Material Weaknesses  Yes  No    Other Conditions  Yes  No

Type of Opinion On Compliance    Unqualified                       Qualified   
For Major Programs                      Disclaimer                       Adverse

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

Yes  No

**c. Identification Of Major Programs:**

**CFDA Number (s)**

**Name Of Federal Program (or Cluster)**

Dollar threshold used to distinguish between Type A and Type B Programs:

\$

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

Yes  No

**VILLAGE OF HARRISONBURG  
HARRISONBURG, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)  
For the Year Ended June 30, 2012**

---

**Section II - Financial Statement Findings**

---

**2012-C-1 Bond Reserve Accounts Required by Bond Covenants**

**Condition:** The Village did not maintain its bond reserve accounts as required by its bond indentures.

**Criteria:** The Village of Harrisonburg has one issue of water revenue bonds and three issues of sewer revenue bonds outstanding. The flow of funds and restrictions on use are governed by the bond indentures, the terms of which are summarized as follows:

- (a) For the payment of all expenses of operation and maintenance of each system.
- (b) For the maintenance of a bond or note redemption account, by transferring sufficient amounts to pay all principal and interest falling due in the ensuing twelve months.
- (c) For the maintenance of a reserve account, by making designated payments as follows:

Water Fund - There should be deposited five percent (5%) of the amount to be paid into the redemption account, until such time as there has been accumulated therein the sum of \$12,930.

Sewer Fund - There should be deposited ten percent (10%) of the amount to be paid into the redemption account, until such time as there has been accumulated therein the sum of \$26,500.

- (d) For the maintenance of a contingency and depreciation account, by making designated payments as follows:

Water Fund - There should be deposited fifty dollars (\$50.00) per month commencing with the month following completion of the improvements to the system.

Sewer Fund - There should be deposited one hundred fifty-three dollars (\$153.00) per month commencing with the month following completion of the improvements to the system.

**Cause of Condition:** Not depositing money into the reserve accounts.

**Effect of Condition:** Noncompliance with bond indentures.

**Recommendation:** We recommend that management begin to maintain its reserve accounts in accordance with bond indenture requirements.

**Client Response and Corrective Action:** We discussed this with the Mayor, Council and Village Clerk and they agreed to begin maintaining the Bond reserve accounts. The Village will begin to maintain its reserve accounts in accordance with bond indenture requirements.

**Contact Person:** Michael Tubre

**Anticipated Completion Date:** June 30, 2013



**VILLAGE OF HARRISONBURG  
HARRISONBURG, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)  
For the Year Ended June 30, 2012**

---

**Section II - Financial Statement Findings - Continued**

---

**2012-I-1 Small Size of Entity**

**Condition:** Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village's cash.

**Criteria:** Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

**Cause of Condition:** Small size of entity and lack of employees.

**Effect of Condition:** Significant deficiency in internal controls.

**Recommendation:** We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

**Client Response and Corrective Action:** Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

**Contact Person:** Michael Tubre

**Anticipated Completion Date:** June 30, 2013

---

**Section III – Federal Awards Findings and Questioned Costs**

---

Not applicable.

## VILLAGE OF HARRISONBURG, LOUISIANA

### MANAGEMENT LETTER COMMENTS

---

During the course of our audit, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

#### CURRENT YEAR MANAGEMENT LETTER COMMENTS

There are no current year management letter comments.

VILLAGE OF HARRISONBURG  
HARRISONBURG, LOUISIANA  
JUNE 30, 2012

---

---

**MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS**

---

---

Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana 70804-9397

The management of the Village of Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2011.

**Prior Year Findings**

**2011-C-1 Bond Reserve Accounts Required by Bond Covenants (Unresolved)**

*Finding:* The Village did not maintain its bond reserve accounts as required by its bond indentures.

*Village's Corrective Action:* The Village will begin to maintain its reserve accounts in accordance with bond indenture requirements.

**2011-C-2 Budget Variances (Resolved)**

*Finding:* The Village had an unfavorable revenue variance of \$17,137 or 8.3% in the general fund.

*Village's Corrective Action:* The Village amended its budget when there was an unfavorable variance of 5% or more.

**2011-I-1 Small Size of Entity (Unresolved)**

*Finding:* Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village's cash.

*Village's Corrective Action:* Management continued to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, and depositing of funds collected.

**2011-I-2 Adoption of Budget (Resolved)**

*Finding:* The original budget adoption was documented in the Village's minutes, but the amended budget adoption for 2011 was not documented in the Village's minutes.

*Village's Corrective Action:* The Village documented in its minutes of meetings the adoption and approval of the original budget and the subsequent amendments to the budget.