

TOWN OF DELHI, LOUISIANA

*Annual Financial Statements
For the Year Ended September 30, 2009*

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 4/21/10



TOWN OF DELHI, LOUISIANA
 FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2009
 WITH SUPPLEMENTAL INFORMATION SCHEDULES

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TOWN OF DELHI, LOUISIANA
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2009
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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INDEPENDENT AUDITORS' REPORT

The Honorable Lynn Lewis, Mayor,
And the Members of the Board of Aldermen
Delhi, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Delhi, Louisiana as of and for the year ended September 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Delhi, 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, each major fund and the aggregate remaining fund information of the Town of Delhi, Louisiana, as of September 30, 2009, 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 a report dated March 5, 2010, on our consideration of the Town of Delhi, Louisiana's internal control over financial reporting and 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 assessing the results of our audits.

The management's discussion and analysis and budgetary comparison information on pages 2 through 13 and 35 through 41, 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. 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 Honorable Lynn Lewis, Mayor,
And the Members of the Board of Aldermen
Delhi, Louisiana

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic primary government financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic primary government financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic primary government financial statements and, accordingly, we express no opinion on it.

Cameron, Hines & Hartl (CAPAC)

West Monroe, Louisiana
March 5, 2010

REQUIRED SUPPLEMENTAL INFORMATION – PART I

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) for the Town of Delhi is designed to:

1. Assist the reader in focusing on significant financial issues;
2. Provide an overview of the Town's financial activities;
3. Identify changes in the Town's overall financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations;
4. Identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and
5. Identify individual fund issues or concerns.

As management of the Town of Delhi, we offer readers of the Financial Statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2009. The Town began this new reporting model required by the Governmental Accounting Standards Board (GASB) Statement Number 34 for the fiscal year ended September 30, 2004.

The information contained within this MD&A should be considered only as part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and other Required Supplemental Information (RSI) that is provided in addition to this MD&A.

Overview of the Financial Statements

The MD&A requires supplementary information that introduces the reader to the basic financial statements and provides an overview of the Town's financial activities. The Town's basic financial statements consist of the following components:

1. Government-wide financial statements,
2. Fund financial Statements, and
3. Notes to the financial statements.

TOWN OF DELHI, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (Continued)

Other required supplementary information, including the required budgetary comparison schedule(s) are presented immediately following the notes to the financial statements. A general description of the components of the basic financial statements follows below, with a more detailed analysis of the government-wide statements included in a later section entitled "Government-Wide Financial Analysis".

1. Government-Wide Financial Statements

The Government-Wide Financial Statements (see pages 14 to 15) are designed to present the financial operations of the Town as a whole in a format similar to private sector companies. All governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

The focus is on the government-wide (entity-wide) "Statement of Net Assets" and "Statement of Activities" to give the reader a broad overview of the Town's financial position and results of operations.

- a. The Statement of Net Assets presents information on the Town's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, the increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or weakening.
- b. The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The format for the Statement of Activities presents the expenses for each function (general government, public safety, public works and streets) reduced by the Program Revenues (charges for services, operating grants and contributions, and capital grants and contributions) directly related to each respective function, to determine net costs of each function. The net costs of each function are normally covered by general revenues.

2. Fund Financial Statements

The 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 Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Town of Delhi uses two categories of funds to account for financial transactions: governmental funds, and proprietary funds.

TOWN OF DELHI, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (Continued)

2. Fund Financial Statements (Continued)

Governmental funds are used to account for most of the basic services and projects reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The Town of Delhi's governmental funds include the following:

- a. General Fund used for accounting for the Town's basic services.
- b. Special Revenue Fund – Sales Tax Fund is used for accounting for the receipts and disbursements of the sales tax monies.
- c. Capital Projects Fund used for accounting for financial transactions under a Louisiana Community Development Block Grant.
- d. Debt Service Fund used for accounting for the transfers and payments of monies used to retire debt of the Town.

The Proprietary Fund accounts for water and sewer services for the Town of Delhi. Enterprise funds are used to account for the same functions as business-type activities presented in the government-wide financial statements, but the fund presentation provides more detail. The proprietary fund financial statements can be found on pages 20 to 23 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Town's more immediate decisions on the current use of financial resources. Whereas the Total column on the Enterprise Fund Financial Statements is the same as the Business-Type column of the Government-Wide Financial Statements, the governmental funds columns of the Fund Financial Statements require and include a reconciliation following the Balance Sheet (reconciliation on page 17) and the Statement of Revenues, Expenditures and Changes in Fund Balances (reconciliation on page 19).

3. Notes to the Financial Statements

The Notes to the Financial Statements provide information essential to a full understanding of the government-wide and fund financial statements. When reviewing this MD&A, the reader should also refer to and review the Notes to the Financial Statements (beginning on page 24), as well as the Government-Wide and Fund Financial Statements (included on pages 14 to 23).

TOWN OF DELHI, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (Continued)

4. Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information concerning the Town's budget presentations. Budgetary comparison statements are included as "required supplemental information (Part II)" for the general, special revenue, capital project, and proprietary funds. These schedules demonstrate compliance with the Town's adopted and final revised budget. This information can be found on pages 35 to 40 of this report.

Government-Wide Financial Analysis

The Town implemented the new financial reporting model used in this report beginning with the fiscal year ended September 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Town as a whole.

The Town's net assets at September 30, 2009, are \$10,762,170. The following table provides a summary of the Town's net assets:

	<u>Summary of Net Assets</u>			
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Percentage Total</u>
Assets:				
Current assets and other assets	\$ 1,272,845	\$ 855,550	\$ 2,128,395	17%
Restricted assets	488,281	551,123	1,039,404	8%
Capital assets	<u>5,708,520</u>	<u>3,539,757</u>	<u>9,248,277</u>	<u>75%</u>
Total Assets	<u>7,469,646</u>	<u>4,946,430</u>	<u>12,416,076</u>	<u>100%</u>
Liabilities:				
Current liabilities	128,476	132,638	261,114	16%
Long-Term liabilities	<u>18,236</u>	<u>1,374,556</u>	<u>1,392,792</u>	<u>84%</u>
Total Liabilities	<u>146,712</u>	<u>1,507,194</u>	<u>1,653,906</u>	<u>100%</u>
Net Assets:				
Investment in Capital Assets	5,682,771	2,144,061	7,826,832	73%
Restricted	488,281	551,123	1,039,404	10%
Unrestricted	<u>1,151,882</u>	<u>744,052</u>	<u>1,895,934</u>	<u>17%</u>
Total Net Assets	<u>\$ 7,322,934</u>	<u>\$ 3,439,236</u>	<u>\$ 10,762,170</u>	<u>100%</u>

TOWN OF DELHI, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Analysis (Continued)

The Town's net assets at September 30, 2008, are \$10,439,674. The following table provides a summary of the Town's net assets:

	<u>Summary of Net Assets</u>			
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Percentage Total</u>
Assets:				
Current assets and other assets	\$ 1,142,132	\$ 766,220	\$ 1,908,352	16%
Restricted assets	437,505	545,257	982,762	8%
Capital assets	<u>5,700,827</u>	<u>3,671,991</u>	<u>9,372,818</u>	<u>76%</u>
Total Assets	<u>7,280,464</u>	<u>4,983,468</u>	<u>12,263,932</u>	<u>100%</u>
Liabilities:				
Current liabilities	276,010	124,761	400,771	22%
Long-Term liabilities	<u>27,790</u>	<u>1,395,697</u>	<u>1,423,487</u>	<u>78%</u>
Total Liabilities	<u>303,800</u>	<u>1,520,458</u>	<u>1,824,258</u>	<u>100%</u>
Net Assets:				
Investment in Capital Assets	5,508,821	2,256,032	7,764,853	74%
Restricted	412,879	545,257	958,136	9%
Unrestricted	<u>1,054,964</u>	<u>661,721</u>	<u>1,716,685</u>	<u>17%</u>
Total Net Assets	<u>\$ 6,976,664</u>	<u>\$ 3,463,010</u>	<u>\$ 10,439,674</u>	<u>100%</u>

The Town maintains a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio as of September 30, 2009 is 9.91 to 1 for governmental activities and 6.35 to 1 for business-type activities. The current ratio as of September 30, 2008 is 4.14 to 1 for governmental activities and 6.14 to 1 to business-type activities. The Town's overall current ratio is 8.10 to 1 as of September 30, 2009, and 4.76 to 1 as of September 30, 2008. These ratios indicate a strong current financial position.

The Town reported positive balances in net assets for both governmental and business-type activities for the years ended September 30, 2009 and 2008. Net assets increased in governmental activities by \$346,270 and decreased in business-type activities by \$23,774. The Town's overall financial position improved during the fiscal year ending September 30, 2009, as total net assets increased by 3.09%. The Town's net assets for the year ended September 30, 2008 decreased in governmental activities by \$519,714 and decreased in business-type activities by \$9,460. During the fiscal year ended September 30, 2008, total net assets decreased by 4.82%.

TOWN OF DELHI, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Analysis (Continued)

The largest category of net assets is "Investment in Capital Assets", and comprises 73% of net assets. This category reflects the total invested in capital assets (land, buildings, equipment, infrastructure, utility system improvements, etc.). These capital assets are used to provide services to citizens and do not represent resources available for future spending.

Condensed Statement of Activities – September 30, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Percentage Total</u>
Revenues:				
Program:				
Charges for services	\$ 488,168	\$ 874,161	\$ 1,362,329	48%
Operating grants and contributions	216,103	-	216,103	7%
Capital grants and contributions	119,790	-	119,790	4%
General:				
Property tax	136,022	-	136,022	5%
Franchise tax	72,509	-	72,509	3%
Sales tax	801,424	-	801,424	28%
Interest	18,491	12,305	30,796	1%
Other	85,749	21,568	107,317	4%
Total revenues	<u>1,938,256</u>	<u>908,034</u>	<u>\$ 2,846,290</u>	<u>100%</u>
Program expenses:				
General government	1,105,731	-	1,105,731	44%
Public safety:				
Police	282,768	-	282,768	11%
Fire	38,220	-	38,220	1%
Public works	11,906	-	11,906	1%
Streets	219,014	-	219,014	8%
Interest	5,938	-	5,938	1%
Water and Sewer	-	860,217	860,217	34%
Total expenses	<u>1,663,577</u>	<u>860,217</u>	<u>\$ 2,523,794</u>	<u>100%</u>
Excess	274,679	47,817	322,496	
Transfers	<u>71,591</u>	<u>(71,591)</u>	<u>-</u>	
Change in Net Assets	346,270	(23,774)	322,496	
Beginning Net Assets	<u>6,976,664</u>	<u>3,463,010</u>	<u>10,439,674</u>	
Ending Net Assets	<u>\$7,322,934</u>	<u>\$3,439,236</u>	<u>\$10,762,170</u>	

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Analysis (Continued)

Condensed Statement of Activities – September 30, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Percentage Total</u>
Revenues:				
Program:				
Charges for services	\$ 476,995	\$ 880,323	\$ 1,357,318	51%
Operating grants and contributions	107,742	17,447	125,189	5%
Capital grants and contributions	83,282	-	83,282	3%
General:				
Property tax	126,754	-	126,754	5%
Franchise tax	86,558	-	86,558	3%
Sales tax	705,635	-	705,635	27%
Interest	46,386	21,669	68,055	2%
Other	<u>102,827</u>	<u>6,635</u>	<u>109,462</u>	<u>4%</u>
Total revenues	<u>1,736,179</u>	<u>926,074</u>	<u>2,662,253</u>	<u>100%</u>
Program expenses:				
General government	1,740,470	-	1,075,470	54%
Public safety:				
Police	341,841	-	341,841	10%
Fire	35,384	-	35,384	1%
Public works	18,186	-	18,186	1%
Streets	235,469	-	235,469	7%
Interest	9,543	-	9,543	1%
Water and Sewer	-	<u>838,952</u>	<u>838,952</u>	<u>26%</u>
Total expenses	<u>2,380,893</u>	<u>838,952</u>	<u>3,219,845</u>	<u>100%</u>
Excess (deficiency)	(644,714)	87,122	(557,592)	
Transfers	<u>125,000</u>	<u>(125,000)</u>	<u>-</u>	
Change in Net Assets	(519,714)	(37,878)	(557,592)	
Beginning Net Assets	<u>7,496,378</u>	<u>3,500,888</u>	<u>10,997,266</u>	
Ending Net Assets	<u>\$6,976,664</u>	<u>\$3,463,010</u>	<u>\$10,439,674</u>	

The Condensed Statement of Activities presents revenues, expenses, and changes in net assets separately for governmental activities and business-type activities. The condensed format allows for presentation of Program Revenues (Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions) followed by a listing of General Revenues to support the Town's overall governmental or business-type activities. Expenses are presented on a functional basis.

TOWN OF DELHI, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Analysis (Continued)

As noted above, there are two categories of revenues on the Statement of Activities – “Program Revenues” and “General Revenues”. “Program Revenues” derive directly from the program itself or from parties outside the Town’s taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government’s “General Revenues”. “Program Revenues” are further divided into Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions. The major revenues in governmental activities for the Town in the Charges for Services sub-category are \$180,051 for police and court fines, \$167,547 for garbage collection, and \$140,570 for occupational licenses for the fiscal year ended September 30, 2009, and \$168,407 for police and court fines, \$166,204 for garbage collection, and \$142,384 for occupational licenses for the fiscal year ended September 30, 2008. Revenues in the Operating Grants and Contributions sub-category consist of \$216,103 and \$107,742 for the fiscal years ended September 30, 2009 and 2008, respectively. The revenues required to be reported provided for supplemental police pay, with the balance consisting primarily of intergovernmental grants for repairs to the Whiteline Boat facility, reimbursement for highway maintenance, and fire insurance rebates. Revenues in the Capital Grants and Contributions sub-category consist of \$119,790 and \$83,282 for the fiscal years ended September 30, 2009 and 2008, respectively. These revenues provided for Gustav-related infrastructure repairs, the improvement and renovation of the Cave Theatre, and other infrastructure improvements. “General Revenues” include all revenues not required to be reported as “Program Revenues”. All taxes are to be reported by type. The major tax revenues for the Town of Delhi are sales tax revenues of \$801,424, property taxes of \$136,022, and franchise taxes of \$72,509 for the year ended September 30, 2009. The major tax revenues for the year ended September 30, 2008, are sales tax revenues of \$705,635, property taxes of \$126,754, and franchise taxes of \$86,558. Other “General Revenues” reported include interest income and miscellaneous revenues.

“Program Expenses” for the governmental funds are presented in the above Condensed Statement of Activities by function and total \$2,523,794 and \$2,380,893 (including interest on long-term debt) for the fiscal years ended September 30, 2009 and 2008, respectively.

Business-Type Activities provided by the Town of Delhi consists of water and sewer utilities. All revenues are in the category of “Program Revenues”, with the exceptions of interest income and miscellaneous income reported as “General Revenue”. “Program Revenues” in the Charges for Services sub-category consists of billings of \$578,861 for water, and \$289,874 for sewer for the year ended September 30, 2009, and \$584,958 for water, and \$291,795 for sewer for the fiscal year ended September 30, 2008.

The Town reports the total amount of expenses for operation of the utility system as \$860,217 and \$838,952 for the years ended September 30, 2009 and 2008, respectively. The “Change in Net Assets” (revenues less expenses) for the utility system was \$(23,774) and \$(37,878) for the fiscal years ended September 30, 2009 and 2008, respectively.

TOWN OF DELHI, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Analysis (Continued)Required Supplementary Information

In addition to this MD&A and the basic financial statements, this report also presents certain Required Supplementary Information. This Required Supplementary Information for the Town of Delhi includes the Budgetary Comparison Schedule for the general fund, special revenue fund, capital projects fund, and the proprietary fund. The presentation under the GASB 34 standard requires disclosure of both the original and the final budget. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

Capital Assets and Long-Term Debt

The Town's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of September 30, 2009 was \$5,708,520 and \$3,539,757, respectively, and \$5,700,827 and \$3,671,991, respectively, as of September 30, 2008. For the year ended September 30, 2009, net investment for governmental type activities increased .13% while net investment for business-type activities decreased 3.60%. The total decrease in net investment for governmental type activities and business-type activities as 3.49% and 2.85%, respectively, for the fiscal year ended September 30, 2008. The overall decrease for the Town as a whole for the fiscal year ended September 30, 2009 and 2008 was 1.33% and 3.25%, respectively. See note 3 for additional information about changes in capital assets during the fiscal year and capital assets outstanding at the end of the year.

At September 30, 2009 and 2008, the depreciable capital assets for governmental activities were 55% and 53%, respectively, depreciated. With the Town's business-type activities, 47% and 45% of the asset values were depreciated at September 30, 2009 and 2008, respectively.

At the end of the fiscal year ended September 30, 2008, the Town had total certificates of indebtedness outstanding of \$157,000 supported by pledged sales tax collections. The certificates of indebtedness were paid in full during the fiscal year ended September 30, 2009. The Town had total bond indebtedness for the fiscal years ended September 30, 2009 and 2008, in the amount of \$1,395,696 and \$1,415,959, respectively. Pledged sewer collections support \$1,395,696 of outstanding bond indebtedness. During the year ended September 30, 2006, the Town approved a sewer rate increase as a condition of the sewer revenue bonds that were issued. On the total outstanding bonds, \$284,975 in interest costs will be incurred over the next 5 years. See note 5 for additional information about the Town's long-term debt.

TOWN OF DELHI, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Long-Term Debt (Continued)

The following table provides a summary of capital asset activity.

	Balance <u>10/01/08</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>09/30/09</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 284,160	\$ -	\$ -	\$ 284,160
Other capital assets:				
Buildings	3,693,473	304,173	-	3,997,646
Infrastructure	6,902,815	33,175	-	6,935,990
Equipment	1,134,661	17,215	69,664	1,082,212
Totals	<u>12,015,109</u>	<u>354,563</u>	<u>69,664</u>	<u>12,300,008</u>
Less accumulated depreciation:				
Buildings	2,194,808	64,341	-	2,259,149
Infrastructure	3,326,874	218,765	-	3,545,639
Equipment	792,600	56,799	62,699	786,700
Total accumulated depreciation	<u>6,314,282</u>	<u>339,905</u>	<u>62,699</u>	<u>6,591,488</u>
Governmental activities, capital assets, net	<u>\$ 5,700,827</u>	<u>\$ 14,658</u>	<u>\$ 6,965</u>	<u>\$ 5,708,520</u>
	Balance <u>10/01/08</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>09/30/09</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 5,718	\$ -	\$ -	\$ 5,718
Other capital assets:				
Buildings	247,998	-	-	247,998
Infrastructure	5,892,022	-	-	5,892,022
Equipment	468,092	8,671	-	476,763
Totals	<u>6,613,830</u>	<u>8,671</u>	<u>-</u>	<u>6,622,501</u>
Less accumulated depreciation:				
Buildings	217,431	6,159	-	223,590
Infrastructure	2,257,512	130,105	-	2,387,617
Equipment	466,896	4,641	-	471,537
Total accumulated depreciation	<u>2,941,839</u>	<u>140,905</u>	<u>-</u>	<u>3,082,744</u>
Business-type activities, capital assets, net	<u>\$ 3,671,991</u>	<u>(\$ 132,234)</u>	<u>\$ -</u>	<u>\$ 3,539,757</u>

TOWN OF DELHI, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Long-Term Debt (Continued)

	Balance <u>10/01/07</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>09/30/08</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 284,160	\$ -	\$ -	\$ 284,160
Other capital assets:				
Buildings	3,641,424	52,049	-	3,693,473
Infrastructure	6,884,478	18,337	-	6,902,815
Equipment	<u>1,098,670</u>	<u>67,729</u>	<u>31,738</u>	<u>1,134,661</u>
Totals	<u>11,908,732</u>	<u>138,115</u>	<u>31,738</u>	<u>12,015,109</u>
Less accumulated depreciation:				
Buildings	2,136,747	58,061	-	2,194,808
Infrastructure	3,108,915	217,959	-	3,326,874
Equipment	<u>755,802</u>	<u>65,590</u>	<u>28,792</u>	<u>792,600</u>
Total accumulated depreciation	<u>6,001,464</u>	<u>341,610</u>	<u>28,792</u>	<u>6,314,282</u>
Governmental activities, capital assets, net	<u>\$ 5,907,268</u>	<u>\$(203,495)</u>	<u>\$ 2,946</u>	<u>\$ 5,700,827</u>
	Balance <u>10/01/07</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>09/30/08</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 5,718	\$ -	\$ -	\$ 5,718
Construction in progress	1,403,100	-	1,403,100	-
Other capital assets:				
Buildings	247,998	-	-	247,998
Infrastructure	4,458,004	1,434,018	-	5,892,022
Equipment	<u>466,440</u>	<u>1,652</u>	-	<u>468,092</u>
Totals	<u>6,581,260</u>	<u>1,435,670</u>	<u>1,403,100</u>	<u>6,613,830</u>
Less accumulated depreciation:				
Buildings	211,273	6,158	-	217,431
Infrastructure	2,127,264	130,248	-	2,257,512
Equipment	<u>462,848</u>	<u>4,048</u>	-	<u>466,896</u>
Total accumulated depreciation	<u>2,801,385</u>	<u>140,454</u>	-	<u>2,941,839</u>
Business-type activities, capital assets, net	<u>\$ 3,779,875</u>	<u>\$1,295,216</u>	<u>\$ 1,403,100</u>	<u>\$ 3,671,991</u>

TOWN OF DELHI, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Long-Term Debt (Continued)

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Town's clerk at Town of Delhi, Louisiana.

Lynn Lewis
Mayor

TOWN OF DELHI, LOUISIANA
STATEMENT OF NET ASSETS
AS OF SEPTEMBER 30, 2009

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 666,215	\$ 92,156	\$ 758,371
Investments	709,393	426,950	1,136,343
Receivables	121,728	93,639	215,367
Accrued interest	1,177	1,205	2,382
Internal balances	(227,850)	227,850	-
Other assets	2,182	-	2,182
Total Current Assets	1,272,845	841,800	2,114,645
Non-Current Assets:			
Restricted Assets:			
Cash and Cash Equivalents	333,736	353,988	687,724
Investments	154,545	197,135	351,680
Capital Assets:			
Non-depreciable	284,160	5,718	289,878
Depreciable (net)	5,424,360	3,534,039	8,958,399
Other Assets	-	13,750	13,750
Total Non-Current Assets	6,196,801	4,104,630	10,301,431
Total Assets	7,469,646	4,946,430	12,416,076
LIABILITIES			
Current Liabilities:			
Accounts and other payables	92,419	30,063	122,482
Deposits due others	-	81,435	81,435
Other liabilities	28,544	-	28,544
Current portion of Bonds Payable	-	21,140	21,140
Current portion of Obligations under Capital Lease	7,513	-	7,513
Total Current Liabilities	128,476	132,638	261,114
Non-Current Liabilities:			
Bonds Payable after one year	-	1,374,556	1,374,556
Obligations under Capital Lease after one year	18,236	-	18,236
Total Non-Current Liabilities	18,236	1,374,556	1,392,792
Total Liabilities	146,712	1,507,194	1,653,906
NET ASSETS			
Invested in Capital Assets (net of related debt)	5,682,771	2,144,061	7,826,832
Restricted for:			
Community development	345,552	-	345,552
Debt Service	44,749	332,960	377,709
Other purposes	97,980	218,163	316,143
Unrestricted (Deficit)	1,151,882	744,052	1,895,934
Total Net Assets	\$ 7,322,934	\$ 3,439,236	\$ 10,762,170

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED SEPTEMBER 30, 2009

Functions/Programs	EXPENSES	PROGRAM REVENUES		
		FEEES, FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government:				
Governmental Activities:				
General government	\$ 1,105,731	\$ 308,117	\$ 185,163	\$ 119,790
Public safety:				
Police	282,768	180,051	16,015	-
Fire	38,220	-	10,765	-
Public works	11,906	-	-	-
Streets	219,014	-	4,160	-
Interest on long-term debt	5,938	-	-	-
Total governmental activities	<u>1,663,577</u>	<u>488,168</u>	<u>216,103</u>	<u>119,790</u>
Business-type activities:				
Water and Sewer	860,217	874,161	-	-
Total business-type activities	<u>860,217</u>	<u>874,161</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 2,523,794</u>	<u>\$ 1,362,329</u>	<u>\$ 216,103</u>	<u>\$ 119,790</u>

General Revenues:

Taxes:

Property taxes

Franchise taxes

Sales taxes

Miscellaneous

Rent income

Interest earned

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - End of the Year

NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS PRIMARY GOVERNMENT		
Governmental ACTIVITIES	Business-Type ACTIVITIES	TOTALS
\$ (492,661)	\$ -	\$ (492,661)
(86,702)	-	(86,702)
(27,455)	-	(27,455)
(11,906)	-	(11,906)
(214,854)	-	(214,854)
(5,938)	-	(5,938)
<u>(839,516)</u>	<u>-</u>	<u>(839,516)</u>
-	13,944	13,944
-	13,944	13,944
<u>\$ (839,516)</u>	<u>\$ 13,944</u>	<u>\$ (825,572)</u>
\$ 136,022	\$ -	\$ 136,022
72,509	-	72,509
801,424	-	801,424
41,901	21,568	63,469
43,848	-	43,848
18,491	12,305	30,796
71,591	(71,591)	-
<u>1,185,786</u>	<u>(37,718)</u>	<u>1,148,068</u>
346,270	(23,774)	322,496
<u>6,976,664</u>	<u>3,463,010</u>	<u>10,439,674</u>
<u>\$ 7,322,934</u>	<u>\$ 3,439,236</u>	<u>\$ 10,762,170</u>

The accompanying notes are an integral part of this financial statement.

BASIC FINANCIAL STATEMENTS

TOWN OF DELHI, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	General Fund	Sales Tax Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 82,469	\$ 583,746	\$ 666,215
Investments	456,646	252,747	709,393
Receivables:			
Accrued interest	1,141	36	1,177
Franchise fees	17,453	-	17,453
Fine revenue	34,659	-	34,659
Sales tax	-	59,116	59,116
Other	10,500	-	10,500
Due from other funds	126,285	5,918	132,203
Restricted Assets:			
Cash and cash equivalents	188,987	144,749	333,736
Investments	95,047	59,498	154,545
Other assets	2,182	-	2,182
TOTAL ASSETS	<u>\$ 1,015,369</u>	<u>\$ 1,105,810</u>	<u>\$ 2,121,179</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts and other payables	\$ 87,367	\$ 5,052	\$ 92,419
Payroll liabilities payable	9,761	27	9,788
Escrow for Friends of Cave	744	-	744
Escrow for Police Department Fire	10,394	-	10,394
Due to retirement systems	6,212	1,406	7,618
Due to other funds	233,768	126,285	360,053
TOTAL LIABILITIES	<u>348,246</u>	<u>132,770</u>	<u>481,016</u>
FUND EQUITY			
Fund balance			
Reserved for streets, drainage and other capital improvements	-	116,581	116,581
Reserved for recreation improvements	-	42,917	42,917
Reserved for debt service	-	44,749	44,749
Reserved per sales tax ordinance	-	768,793	768,793
Unreserved			
Designated for community and economic development	284,034	-	284,034
Undesignated	383,089	-	383,089
TOTAL FUND EQUITY	<u>667,123</u>	<u>973,040</u>	<u>1,640,163</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,015,369</u>	<u>\$ 1,105,810</u>	<u>\$ 2,121,179</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE GOVERNMENT - WIDE FINANCIAL STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2009

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

Total fund balances for governmental funds at September 30, 2009 \$ 1,640,163

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Those assets consists of:

Land	\$	284,160	
Buildings, net of \$2,259,147 accumulated depreciation		1,738,499	
Equipment, net of \$732,677 accumulated depreciation		295,510	
Infrastructure, net of \$3,545,639 accumulated depreciation		<u>3,390,351</u>	5,708,520

Long term liabilities including bonds payable and obligations under capital lease are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Certificates of indebtedness payable	\$	-	
Obligations under capital lease		<u>(25,749)</u>	<u>(25,749)</u>

Net Assets of Governmental Activities \$ 7,322,934

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General Fund	Sales Tax Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Taxes					
Ad valorem	\$ 136,022	\$ -	\$ -	\$ -	\$ 136,022
Sales and use	-	801,424	-	-	801,424
Other taxes, penalties, interest, etc.	72,509	-	-	-	72,509
Licenses and permits	140,570	-	-	-	140,570
Intergovernmental revenues					
State Funds					
Transportation funds	4,160	-	-	-	4,160
Parish insurance rebates	10,765	-	-	-	10,765
Grants	143,506	-	-	-	143,506
Police supplemental pay	16,015	-	-	-	16,015
Federal Funds					
Grants	161,447	-	-	-	161,447
Fines	180,051	-	-	-	180,051
Garbage collection	167,547	-	-	-	167,547
Investment earnings	11,219	7,272	-	-	18,491
Other revenues	92,714	-	-	-	92,714
Total Revenues	1,136,525	808,696	-	-	1,945,221
Expenditures					
General government	632,053	133,773	-	-	765,826
Public safety	320,988	-	-	-	320,988
Public works	-	11,906	-	-	11,906
Streets	219,014	-	-	-	219,014
Capital outlay	339,068	6,110	9,385	-	354,563
Debt service	-	-	-	166,257	166,257
Principal	-	-	-	5,938	5,938
Interest	-	-	-	172,195	172,195
Total Expenditures	1,511,123	151,789	9,385	172,195	1,844,492
Excess (Deficiency) of Revenues Over (Under) Expenditures	(374,598)	656,907	(9,385)	(172,195)	100,729
Other Financing Sources (Uses)					
Transfers in	312,591	-	9,385	172,195	494,171
Transfers out	(10,752)	(411,828)	-	-	(422,580)
Total Other Financing Sources and Uses	301,839	(411,828)	9,385	172,195	71,591
Net Change in Fund Balance	(72,759)	245,079	-	-	172,320
Fund balances - beginning	739,882	727,961	-	-	1,467,843
Fund balances - ending	\$ 667,123	\$ 973,040	\$ -	\$ -	\$ 1,640,163

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

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

Net Changes in Fund Balances, Total Governmental Funds	\$ 172,320
<p>Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 354,563
Depreciation expense for the year ended September 30, 2009	(339,905)
Book value of wrecked capital asset used to reduce loss in government-wide statement of activities	<u>(6,965)</u> 7,693
Bond payable principal is an expenditure in governmental funds, but the repayment reduces liabilities in the Statement of Net Assets	157,000
Capital lease principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	<u>9,257</u>
Change in net assets of governmental activities	<u><u>\$ 346,270</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2009

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 92,156
Investments	426,950
Receivables	93,639
Accrued interest	1,205
Due From Other Funds	227,850
Total Current Assets	<u>841,800</u>
Non-Current Assets:	
Restricted Assets:	
Cash and Cash Equivalents	353,988
Investments	197,135
Capital Assets:	
Non-depreciable	5,718
Depreciable (Net)	3,534,039
Other Assets	13,750
Total Non-Current Assets	<u>4,104,630</u>
Total Assets	<u>4,946,430</u>

LIABILITIES

Current Liabilities:	
Accounts and other payables	30,063
Deposits due others	81,435
Current portion of bonds payable	21,140
Total Current Liabilities	<u>132,638</u>
Non-Current Liabilities:	
Bonds Payable after one year	1,374,556
Total Non-Current Liabilities	<u>1,374,556</u>
Total Liabilities	<u>1,507,194</u>

NET ASSETS

Invested in Capital Assets (net of related debt)	2,144,061
Restricted for:	
Debt Service	332,960
Other purposes	218,163
Unrestricted (Deficit)	744,052
Total Net Assets	<u>\$ 3,439,236</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR YEAR ENDED SEPTEMBER 30, 2009

	Business-type Activities Enterprise Funds <u>Water System</u>
Operating Revenues	
User Charges	\$ 871,311
Fees	2,850
Federal Funds - Grants	-
Other	21,568
Total Operating Revenues	<u>895,729</u>
Operating Expenses	
Salaries, Wages and Employee Benefits	297,767
Contractual Services, Materials and Supplies	103,994
Depreciation Expense	140,905
Insurance and Other Expenses	257,764
Total Operating Expenses	<u>800,430</u>
Operating Income (Loss)	<u>95,299</u>
Non-Operating Revenues (Expenses)	
Income on Investments	12,305
Interest on Bonds Payable	(59,787)
Total Non-Operating Revenues (Expenses)	<u>(47,482)</u>
Income (Loss) Before Transfers	<u>47,817</u>
Transfers In	50,000
Transfers (Out)	(121,591)
	<u>(71,591)</u>
Change in Net Assets	(23,774)
Net Assets - Beginning	<u>3,463,010</u>
Net Assets - Ending	<u>\$ 3,439,236</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-Type Activities <u>Enterprise Funds</u> <u>Water System</u>
Cash Flows From Operating Activities	
Receipts from customers and users	\$ 883,850
Payments to suppliers	(397,831)
Payments to employees	(254,448)
Other receipts	21,568
Net Cash Provided (Used) by Operating Activities	<u>253,139</u>
Cash Flows From NonCapital Financing Activities	
Transfers from other funds	50,000
Transfers to other funds	(126,938)
Net Cash Provided (Used) by NonCapital Financing Activities	<u>(76,938)</u>
Cash Flows From Capital and Related Financing Activities	
Principal payments on bonds payable	(20,262)
Interest on bonds payable	(59,787)
Preconstruction consulting fees on LCDBG 2008 Water Project	(13,750)
Purchases of capital assets	(8,671)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(102,470)</u>
Cash Flows From Investing Activities	
Purchase of investments	(12,378)
Interest on cash and investments	13,049
Net Cash Provided (Used) by Investing Activities	<u>671</u>
Net Increase (Decrease) in Cash and Cash Equivalents	74,402
Cash and Cash Equivalents, Beginning of Year	371,742
Cash and Cash Equivalents, End of Year	<u>\$ 446,144</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-Type Activities Enterprise Fund <u>Water System</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ 95,299
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:	
Depreciation	140,905
Change in Assets and Liabilities:	
(Increase) in account receivables	9,936
Increase (decrease) in accounts payables	5,022
Increase (decrease) in customer deposits	1,977
Net cash provided (used) by operating activities	<u>\$ 253,139</u>
 Reconciliation of Total Cash and Cash Equivalents:	
Current Assets - Cash and Cash Equivalents	\$ 92,156
Restricted Assets - Cash and Cash Equivalents	353,988
Total cash and cash investments	<u>\$ 446,144</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Delhi (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note. For the fiscal year ended September 30, 2004, the Town adopted the new financial reporting requirements of GASB Statements No. 33 and 34.

A. Financial Reporting Entity

The Town was incorporated under the Lawrason Act and operates under a Mayor-Board of Aldermen form of government. This report includes all funds that are controlled by or dependent on the Town's executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body and other general oversight responsibility.

B. Government-Wide and Fund Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

TOWN OF DELHI, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 (UNAUDITED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The accounts of the Town are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town 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 or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds

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

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

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

Capital Projects Funds - These funds are used to account for the financial resources used for the acquisition or construction of major capital facilities.

Proprietary Fund

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

TOWN OF DELHI, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Proprietary Fund (Continued)

The Enterprise Fund (Water System) is accounted for on a cost of services or "capital maintenance" basis. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet. Its reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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.

TOWN OF DELHI, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when the liability is incurred or economic asset used.

D. Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In the month of September, the Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at Town Hall to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, the Board of Aldermen must approve any revisions that alter the total expenditures of any fund. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. Budgeted amounts are as originally adopted and amended by the Board of Aldermen.
7. All budgetary appropriations lapse at the end of each fiscal year; however, unexpended fund balances are used to fund expenditures of subsequent years.

Budgets for the General, Special Revenue and Proprietary Fund Type funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

TOWN OF DELHI, LOUISIANA

NOTES TO THE FINANCIAL STATEMENT
(UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(1) Summary of Significant Accounting Policies (Continued)E. Cash and Investments

At September 30, 2009, the Town's cash was made up of petty cash of \$275, checking and savings accounts of \$1,342,926 and certificates of deposit maturing in 3 months or less of \$102,893, for a total of \$1,446,094. Cash included in this total of \$687,724 is restricted and is shown as such on the Statement of Net Assets.

The Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Statutes allow the Town to invest in bank savings accounts and certificates of deposit provided the bank adequately collateralizes them. The Town is also allowed to invest in obligations of the U. S. Treasury. The Town had a total in certificates of deposit, which had maturities of more than three months, of \$1,488,023. Certificates of deposit in this total of \$351,680 are restricted and are shown as such on the Combined Balance Sheet - All Funds Types and Account Groups.

The Town's cash is secured by federal depository insurance of up to \$250,000 per financial institution plus collateral held by the pledging banks or their agents with a market value of \$2,966,792 (see schedule as follows).

	<u>Cash Equivalents</u>			<u>Total</u>
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Certificates of Deposit</u>	
At September 30, 2009 Carrying Amount on Balance Sheet	<u>\$1,343,201</u>	<u>\$ 102,893</u>	<u>\$1,488,023</u>	<u>\$2,934,117</u>
<u>Bank Balances:</u>				
a: Insured (FDIC) or collateralized with securities held by the entity or its agent <u>in the entity's name</u>	<u>576,191</u>	<u>96,923</u>	<u>575,467</u>	<u>1,248,581</u>
b: Collateralized with securities held by pledging financial institution's trust department or agent <u>in the entity's name</u>	<u>854,097</u>	<u>5,970</u>	<u>858,144</u>	<u>1,718,211</u>
c: Uncollateralized, including any securities held for the entity but <u>not in the entity's name</u>	<u>275</u>	<u>-</u>	<u>54,412</u>	<u>54,687</u>
Total Bank Balances	<u>\$1,430,563</u>	<u>\$ 102,893</u>	<u>\$1,488,023</u>	<u>\$ 3,021,479</u>

TOWN OF DELHI, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009(1) Summary of Significant Accounting Policies (Continued)F. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables is recorded due to immateriality at September 30, 2009. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

G. Bad Debts

Uncollectible receivables for ad valorem taxes and utilities are recognized when incurred by direct write-off. Although this is a departure from generally accepted accounting principles, historically such amounts have been immaterial.

H. Stewardship, Compliance and Accountability

Excess of expenditures over appropriations: The General Fund and Sales Tax Fund expenditures were in excess of budgeted appropriations, and exceed 5%.

I. On Behalf of Payments for Salaries

Included in the General Fund financial statements are amounts paid by the State of Louisiana as supplemental salaries to the Town's policemen. The payments of \$16,015 are included on the financial statement as Revenue and Public Safety Expenditures.

(2) Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and payable December 31. The Town collects its own property taxes. Town property tax revenues are recognized when levied to the extent that they result in current receivables.

The Town is permitted by the Municipal Finance Law of the state to levy taxes up to 10.83 mills on the total assessed value for the Town for governmental services other than the payment of principal and interest on long-term debt and in required amounts for the payment of principal and interest on long-term debt.

For the year ended September 30, 2009 taxes of 10.30 mills were levied on property with assessed valuations totaling \$13,119,740 for a total of \$136,022. The taxes were dedicated for general corporate purposes.

TOWN OF DELHI, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(3) Capital Assets

Capital assets and depreciation activity as of and for the year ended September 30, 2009 for the primary government is as follows:

	Balance <u>10/01/08</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>09/30/09</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 284,160	\$ -	\$ -	\$ 284,160
Other capital assets:				
Buildings	3,693,473	304,173	-	3,997,646
Infrastructure	6,902,815	33,175	-	6,935,990
Equipment	<u>1,134,661</u>	<u>17,215</u>	<u>69,664</u>	<u>1,082,212</u>
Totals	<u>12,015,109</u>	<u>354,563</u>	<u>69,664</u>	<u>12,300,008</u>
Less accumulated depreciation:				
Buildings	2,194,808	64,341	-	2,259,149
Infrastructure	3,326,874	218,765	-	3,545,639
Equipment	<u>792,600</u>	<u>56,799</u>	<u>62,699</u>	<u>786,700</u>
Total accumulated depreciation	<u>6,314,282</u>	<u>339,905</u>	<u>62,699</u>	<u>6,591,488</u>
Governmental activities, capital assets, net	<u>\$ 5,700,827</u>	<u>\$ 14,658</u>	<u>\$ 6,965</u>	<u>\$ 5,708,520</u>
	Balance <u>10/01/08</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>09/30/09</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 5,718	\$ -	\$ -	\$ 5,718
Other capital assets:				
Buildings	247,998	-	-	247,998
Infrastructure	5,892,022	-	-	5,892,022
Equipment	<u>468,092</u>	<u>8,671</u>	-	<u>476,763</u>
Totals	<u>6,613,830</u>	<u>8,671</u>	-	<u>6,622,501</u>
Less accumulated depreciation:				
Buildings	217,431	6,159	-	223,590
Infrastructure	2,257,512	130,105	-	2,387,617
Equipment	<u>466,896</u>	<u>4,641</u>	-	<u>471,537</u>
Total accumulated depreciation	<u>2,941,839</u>	<u>140,905</u>	-	<u>3,082,744</u>
Business-type activities, capital assets, net	<u>\$ 3,671,991</u>	<u>(\$ 132,234)</u>	<u>\$ -</u>	<u>\$ 3,539,757</u>

TOWN OF DELHI, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(3) Capital Assets (Continued)

As of September 30, 2009, the Town has incurred \$13,750 consulting fees in connection with an LCDBG Water Project. Since no construction costs were incurred during the year ended September 30, 2009, the fees are included on the Proprietary Fund Statement of Net Assets as Other Assets.

Depreciation is computed on capital assets based on the estimated useful lives of the assets. The straight-line method with no salvage value is used. Buildings and improvements are depreciated over 20 - 40 years; water and sewer plant and related lines are depreciated over 25 - 50 years; all other equipment is depreciated over 5 - 15 years. Depreciation expense of \$480,810 for the year ended September 30, 2009 was charged to the following governmental functions:

Governmental activities:	
General government	<u>\$ 339,905</u>
Business-type activities:	
Water	<u>\$ 140,905</u>

(4) Accounts, Salaries, and Other Payables

The payables of \$151,026 at September 30, 2009 are as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 92,419	\$ 30,063	\$ 122,482
Other liabilities	<u>28,544</u>	<u>-</u>	<u>28,544</u>
Totals	<u>\$ 120,963</u>	<u>\$ 30,063</u>	<u>\$ 151,026</u>

(5) Certificates of Indebtedness and Bond Indebtedness

On August 1, 2006, the Town issued forty-year sewer revenue bonds in the amount of \$1,523,000 for the purpose of funding sewerage system improvements. Monthly installments of \$6,671, including principal and 4.25% interest, began September 1, 2007. As of September 30, 2009, the Town had received advances in the amount of \$1,438,322. Interest of \$59,787 was paid during the year ended September 30, 2009. Outstanding bond indebtedness as of September 30, 2009 amounted to \$1,395,696. Future annual payment requirements on the sewer revenue bonds are as follows:

<u>Year ending September 30,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total Debt Service</u>
2010	\$ 58,909	\$ 21,140	\$ 80,049
2011	57,992	22,057	80,049
2012	57,036	23,013	80,049
2013	56,039	24,010	80,049
2014	54,999	25,050	80,049
Later	<u>874,223</u>	<u>1,280,426</u>	<u>2,154,649</u>
	<u>\$ 1,159,198</u>	<u>\$ 1,395,696</u>	<u>\$ 2,554,894</u>

TOWN OF DELHI, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(6) Obligations under Capital Lease

During the year ended September 30, 2008, the Town leased a John Deere tractor from John Deere Credit under a capital lease. The economic substance of the lease is that the Town is financing the acquisition of the tractor through the lease, and accordingly, it is recorded in the Town's assets and liabilities. The \$38,500 cost of the tractor less \$3,850 accumulated depreciation is included in the Town's net capital assets of governmental activities as of September 30, 2009. The present value of remaining minimum lease payments included in the Town's liabilities of governmental activities as of September 30, 2009 is \$25,749 of which \$7,513 is due within one year and \$18,236 is payable after one year. Total interest related to the obligation under capital lease amounted to \$1,495 for the year ended September 30, 2009 and is reported as interest on long-term debt in the statement of activities.

The following is a schedule by years of future minimum payments required under the lease together with their present value as of September 30, 2009:

<u>Year ending September 30,</u>	
2010	\$ 8,585
2011	8,585
2012	8,585
2013	2,146
2014	<u>-</u>
Total remaining minimum lease payments	27,901
Less amount representing interest payments	<u>2,152</u>
Present value of remaining minimum lease payments	<u>\$ 25,749</u>

(7) Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at September 30, 2009 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 126,285	\$ 233,768
Special Revenue Funds	5,918	126,285
Proprietary Fund	<u>227,850</u>	<u>-</u>
	<u>\$ 360,053</u>	<u>\$ 360,053</u>

TOWN OF DELHI, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009(8) Sales Taxes½-Cent Sales Tax

On July 15, 1980, a resolution was adopted for a ½-cent sales tax for the Town. On September 13, 1980, a special election was held to vote on the proposed sales tax. The sales tax was adopted by a vote of 523 to 404 and became effective November 1, 1980, for ten years. It was renewed on November 6, 1990 for ten years, again on November 3, 1998 for ten-years, and again on September 8, 2008 for an additional ten year period. The revenue from this sales tax is dedicated as follows:

1. The first \$60,000 is dedicated to the maintenance, operation and addition to the Town's recreational facilities.
2. After satisfaction of the above, funds can be used in any of the areas listed below:
 - A. Street, sidewalk, bridge, and alley maintenance and improvement
 - B. Street light maintenance
 - C. Garbage collection
 - D. Police department
 - E. Fire department
 - F. Public parks
 - G. Airport
 - H. Real estate and equipment acquisition as related to the above

1-Cent Sales Tax

On October 7, 1989, the voters of the Town approved a 1-cent sales tax that became effective January 1, 1990 for a period of ten years. The tax was renewed on November 3, 1998 for ten years, and on September 8, 2008 it was renewed for an additional ten-year period. The revenue from this tax is dedicated to streets, drainage and other capital improvements.

(9) Operating Lease Commitments

The Town leased a tractor and loader effective March 25, 2008 for a period of five years. The operating lease requires nineteen quarterly payments of \$1,385 beginning June 30, 2008. Total equipment rent of \$5,428 is included in the street department expenditures for the year ended September 30, 2009. Future minimum payments required under the operating lease total \$18,000. Yearly requirements are \$5,538, \$5,539, \$5,539, and \$1,384 for the years ending September 30, 2010 through 2013, respectively.

(10) Risk of Loss

The Town is exposed to a variety of risks that may result in losses. These risks may include possible loss from acts of God, injury to employees, property damage, or breach of contract. The Town finances these potential losses through purchasing insurance from several commercial companies, as well as self-insuring physical damage on its automobiles. The level of coverage has remained constant. The Town is not a member of a risk pool. All claims currently filed are adequately covered by the policies in place with no outstanding liabilities for the Town.

TOWN OF DELHI, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

(11) Contingent Liabilities

Under the Town's personnel policies, all unused vacation and sick leave lapse as of September 30. Therefore, no accrual is necessary for compensated absences.

(12) Pension and Retirement PlansDefined Benefit Pension Plans

The employees of the Town participate in a Statewide Local Government Retirement System, a multiple-employer cost sharing public employee retirement system. Contributions of participating state agencies are pooled within the systems to fund accrued benefits with contributions approved by the Louisiana Legislature.

The Town's employees and policemen participate in the Municipal Employees' Retirement System of Louisiana ("MERS") and the Municipal Police Employees' Retirement System of Louisiana ("MPERS"). These systems issue publicly available financial reports that include financial statements and required supplementary information. These reports can be obtained by writing to Municipal Employees' Retirement System, 7937 Park Boulevard, Baton Rouge, Louisiana 70809, and Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Room 270, Baton Rouge, Louisiana 70809.

Members of the MERS and MPERS are required by statute to contribute 5.0% and 7.5%, respectively, to the systems.

The Town's required contribution rates and amounts for the current year and two preceding years are reflected below:

	<u>September 30, 2009</u>		<u>September 30, 2008</u>		<u>September 30, 2007</u>	
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
MERS	6.75%	\$35,567	6.75%	\$33,449	6.75%	\$37,206
MPERS	11.00%	\$ 2,972	9.50%	\$ 3,767	13.75%	\$ 4,962

REQUIRED SUPPLEMENTAL INFORMATION – PART II

TOWN OF DELHI, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Favorable/ (Unfavorable)
Revenues.				
Taxes:				
Ad valorem	\$ 130,000	\$ 130,000	\$ 136,022	\$ 6,022
Other taxes, penalties, interest, etc.	80,000	80,000	72,509	(7,491)
Licenses and permits	130,000	130,000	140,570	10,570
Intergovernmental revenues:				
State Funds:				
Transportation funds	7,800	7,800	4,160	(3,640)
Parish insurance rebates	10,000	10,000	10,765	765
Grants	150,000	150,000	143,508	(6,494)
Police supplemental pay	-	-	16,015	16,015
Federal Funds:				
Grants	-	-	161,447	161,447
Fines	180,000	180,000	180,051	51
Garbage collection	170,000	170,000	167,547	(2,453)
Investment earnings	20,000	20,000	11,219	(8,781)
Other revenues				
Royalties	2,750	2,750	65	(2,685)
Rent	37,812	37,812	43,848	6,036
Community Center/Country Club	8,500	8,500	9,795	1,295
Civic Center	10,000	10,000	11,395	1,395
Miscellaneous	20,000	20,000	27,611	7,611
Total Revenues	<u>956,862</u>	<u>956,862</u>	<u>1,136,525</u>	<u>179,663</u>
Expenditures:				
General government:				
Professional Fees	80,100	80,100	67,772	12,328
Utilities	18,300	18,300	16,397	1,903
Administrative	16,500	16,500	14,701	1,799
Public Facilities	66,100	66,100	55,516	10,584
Insurance	113,200	113,200	105,261	7,939
Employment Taxes	40,459	40,459	34,412	6,047
Other Administrative Expenses	14,000	14,000	18,277	(4,277)
Salaries	108,280	108,280	108,127	153
Retirements	7,271	7,271	7,279	(8)
Waste Management	176,592	176,592	169,182	7,410
Repairs and Maintenance	2,000	2,000	20,904	(18,904)
Livestock Show	-	-	9,931	(9,931)
State Election Expense	1,000	1,000	698	302
Tax Assessor Fee	3,500	3,500	3,596	(96)
Total General Government Expenditures	<u>\$ 647,302</u>	<u>\$ 647,302</u>	<u>\$ 632,053</u>	<u>\$ 15,249</u>

TOWN OF DELHI, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Favorable/ (Unfavorable)
Expenditures: (Continued)				
Public safety:				
Police:				
Salaries	\$ 265,906	\$ 265,906	\$ 195,549	\$ 70,357
Auto	39,100	39,100	24,296	14,804
Administrative	12,400	12,400	17,714	(5,314)
Supplies	6,000	6,000	6,293	(293)
Prisoner care	18,500	18,500	21,946	(3,446)
Retirement	14,564	14,564	6,093	8,471
Police Training	3,000	3,000	817	2,183
Uniforms	2,000	2,000	1,679	321
Animal Control	9,600	9,600	8,381	1,219
Total Police Expenditures	<u>371,070</u>	<u>371,070</u>	<u>282,768</u>	<u>88,302</u>
Fire:				
Auto	4,000	4,000	3,428	572
Volunteers	25,200	25,200	25,200	-
Telephone	1,000	1,000	1,382	(382)
Supplies	7,000	7,000	8,210	(1,210)
Total Fire Expenditures	<u>37,200</u>	<u>37,200</u>	<u>38,220</u>	<u>(1,020)</u>
Total Public Safety Expenditures	<u>408,270</u>	<u>408,270</u>	<u>320,988</u>	<u>87,282</u>
Streets:				
Utilities	46,750	46,750	41,610	5,140
Administrative	3,000	3,000	824	2,176
Salaries	136,794	136,794	125,370	11,424
Retirement	9,234	9,234	6,610	2,624
Equipment repair	10,000	10,000	18,085	(8,085)
Oil and gas	16,000	16,000	12,270	3,730
Supplies	4,000	4,000	6,261	(2,261)
Mosquito control	2,500	2,500	2,556	(56)
Equipment rent	14,400	14,400	5,428	8,972
Total Streets Expenditures	<u>\$ 242,678</u>	<u>\$ 242,678</u>	<u>\$ 219,014</u>	<u>\$ 23,664</u>

The accompanying notes are an integral part of this financial statement

TOWN OF DELHI, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Favorable/ (Unfavorable)
Expenditures: (Continued)				
Capital outlay				
General government	\$ 108,879	\$ 108,879	\$ 310,563	\$ (201,684)
Public safety:				
Police	7,600	7,600	20,821	(13,221)
Fire	8,000	8,000	7,684	316
Streets	10,000	10,000	-	10,000
Total Capital Outlay	<u>134,479</u>	<u>134,479</u>	<u>339,069</u>	<u>(204,589)</u>
Total Expenditures	<u>1,432,729</u>	<u>1,432,729</u>	<u>1,511,123</u>	<u>(78,394)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(475,867)</u>	<u>(475,867)</u>	<u>(374,598)</u>	<u>101,269</u>
Other Financing Sources (Uses)				
Transfers in	475,867	475,867	312,591	(163,276)
Transfers out	-	-	(10,752)	(10,752)
Total Other Financing Sources and Uses	<u>475,867</u>	<u>475,867</u>	<u>301,839</u>	<u>(174,028)</u>
Net Change in Fund Balance	-	-	(72,759)	<u>\$ (72,759)</u>
Fund balances - beginning	739,882	739,882	739,882	
Fund balances - ending	<u>\$ 739,882</u>	<u>\$ 739,882</u>	<u>\$ 667,123</u>	

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND - SALES TAX FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Favorable/ (Unfavorable)
Revenues:				
Taxes:				
Sales and use:				
Sales tax 1/2 cent	\$ 245,000	\$ 245,000	\$ 267,141	\$ 22,141
Sales tax 1 cent	490,000	490,000	534,283	44,283
Total Taxes	<u>735,000</u>	<u>735,000</u>	<u>801,424</u>	<u>66,424</u>
Investment earnings	10,000	10,000	7,272	(2,728)
Miscellaneous	3,000	3,000	-	(3,000)
Total Revenues	<u>748,000</u>	<u>748,000</u>	<u>808,696</u>	<u>60,696</u>
Expenditures:				
General Government:				
1/2 Cent:				
Recreation	111,820	111,820	96,260	15,560
Administration	28,500	28,500	19,135	9,365
Public Works/Safety	14,500	14,500	11,906	2,594
Miscellaneous	2,500	2,500	516	1,984
Total 1/2 Cent	<u>157,320</u>	<u>157,320</u>	<u>127,817</u>	<u>29,503</u>
1 Cent:				
Streets, Drainage & Other Capital Improvements	110,000	110,000	10,804	99,196
Sales tax commission	6,000	6,000	7,058	(1,058)
Miscellaneous	3,000	3,000	-	3,000
Total 1 Cent	<u>119,000</u>	<u>119,000</u>	<u>17,862</u>	<u>101,138</u>
Total General Government	<u>276,320</u>	<u>276,320</u>	<u>145,679</u>	<u>130,641</u>
Capital outlay	21,978	21,978	6,110	15,868
Total Expenditures	<u>298,298</u>	<u>298,298</u>	<u>151,789</u>	<u>146,509</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>449,702</u>	<u>449,702</u>	<u>656,907</u>	<u>207,205</u>
Other Financing Sources (Uses)				
Transfers out	(449,702)	(449,702)	(411,828)	37,874
Total Other Financing Sources and Uses	<u>(449,702)</u>	<u>(449,702)</u>	<u>(411,828)</u>	<u>37,874</u>
Net Change in Fund Balance	-	-	245,079	<u>\$ 245,079</u>
Fund balances - beginning	727,961	727,961	727,961	
Fund balances - ending	<u>\$ 727,961</u>	<u>\$ 727,961</u>	<u>\$ 973,040</u>	

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Favorable/ (Unfavorable)
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Public Works	-	-	-	-
Capital outlay	-	-	9,385	(9,385)
Total Expenditures	-	-	9,385	(9,385)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(9,385)	(9,385)
Other Financing Sources (Uses)				
Transfers in	-	-	9,385	9,385
Transfers out	-	-	-	-
Total Other Financing Sources and Uses	-	-	9,385	9,385
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this financial statement

TOWN OF DELHI, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 BUSINESS-TYPE ACTIVITY - WATER AND SEWER FUND
 FOR YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget Favorable (Unfavorable)
Operating Revenues				
Water System Receipts	\$ 1,044,264	\$ 1,044,264	\$ 895,729	\$ (148,535)
Total Operating Revenues	<u>1,044,264</u>	<u>1,044,264</u>	<u>895,729</u>	<u>(148,535)</u>
Operating Expenses				
Operating Expenses	874,099	874,099	800,430	73,669
Total Operating Expenses	<u>874,099</u>	<u>874,099</u>	<u>800,430</u>	<u>73,669</u>
Operating Income (Loss)	<u>170,165</u>	<u>170,165</u>	<u>95,299</u>	<u>(74,866)</u>
Non-Operating Revenues (Expenses)				
Income on Investments	17,500	17,500	12,305	(5,195)
Interest Expense on Bonds Payable	-	-	(59,787)	(59,787)
Total Non-Operating Revenues (Expenses)	<u>17,500</u>	<u>17,500</u>	<u>(47,482)</u>	<u>(64,982)</u>
Income (Loss) Before Transfers	<u>187,665</u>	<u>187,665</u>	<u>47,817</u>	<u>(139,848)</u>
Transfers In	-	-	50,000	50,000
Transfers (Out)	(187,665)	(187,665)	(121,591)	66,074
	<u>(187,665)</u>	<u>(187,665)</u>	<u>(71,591)</u>	<u>116,074</u>
Change in Net Assets	-	-	(23,774)	<u>\$ (23,774)</u>
Net Assets - Beginning	3,463,010	3,463,010	3,463,010	
Prior Period Adjustment	-	-	-	
Net Assets - Ending	<u>\$ 3,463,010</u>	<u>\$ 3,463,010</u>	<u>\$ 3,439,236</u>	

The accompanying notes are an integral part of this financial statement.

TOWN OF DELHI, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In the month of September, the Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at Town Hall to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, the Board of Aldermen must approve any revisions that alter the total expenditures of any fund. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. Budgeted amounts are as originally adopted and amended by the Board of Aldermen.
7. All budgetary appropriations lapse at the end of each fiscal year; however, unexpended fund balances are used to fund expenditures of subsequent years.

Budgets for the General, Special Revenue and Proprietary Fund Type funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

CAMERON, HINES & HARTT

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

The Honorable Lynn Lewis, Mayor,
And the Members of the Board of Aldermen
Delhi, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Town of Delhi, Louisiana (the Town) as of and for the year ended September 30, 2009, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 5, 2010. 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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 a 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 schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting and which is described as item 09-1.

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 entity's internal control.

The Honorable Lynn Lewis, Mayor,
And the Members of the Board of Aldermen
Delhi, Louisiana
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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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Town'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 09-2.

The Town's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Town's responses and, accordingly, we express not opinion on them.

This report is intended solely for the information and use of management, the Legislative Auditor, the Town of Delhi, Louisiana and federal awarding agencies 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.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
March 5, 2010

TOWN OF DELHI, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

The Honorable Lynn Lewis, Mayor,
And the Members of the Board of Aldermen
Delhi, Louisiana

We have audited the financial statements of the Town of Delhi, Louisiana as of and for the year ended September 30, 2009, and have issued our report thereon dated March 5, 2010. 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. Our audit of the financial statements as of September 30, 2009, resulted in an unqualified opinion.

SUMMARY OF AUDIT RESULTS

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

Internal Control

Material Weakness yes no
Significant Deficiencies not considered to be
Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

B. Federal Awards

Material Weakness Identified yes no
Significant Deficiencies not considered to be
Material Weaknesses yes no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified Qualified
Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)
CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

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

TOWN OF DELHI, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009 (continued)

Section II - Financial Statement Findings

09-1 Ticket Fines

Condition:

During the audit of the police department of the Town of Delhi, Louisiana, it was noted, as in prior year, that the police chief continues to accept partial payments of fines for tickets written for traffic violations and other civil matters and that these payments are held at the police department.

Criteria:

The police chief does not have the authority to accept partial payments of tickets, only the entire amount is to be accepted. Also, all money collected for fines is to be collected at Town Hall, not the police department.

Effect:

By not collecting the ticket in its entirety, this could result in loss revenue to the Town as well as putting off indefinitely the payment of the fines by those that owe the money.

Recommendation:

All fines should be collected for the full amount of the fine and all money is to be collected at Town Hall, not at the police station.

Management's Corrective Action Plan:

A discussion of the issue of partial payments on fines has been conducted with Police Chief Carter. He assures this office that he has discontinued this practice and is working to finalize any outstanding fines that he had previously granted a "partial pay" consideration.

09-2 Budget Variances

Condition:

During the audit of the Town of Delhi, Louisiana, it was noted that several line items in the budget adopted for the year ended September 30, 2009 failed to meet total budgeted revenues and expenditures by five percent or more.

Criteria:

Louisiana law requires actual revenues meet or exceed budgeted revenue by five percent or more and actual expenditures to meet or be less than budgeted for the year. When this occurs, the political subdivision shall adopt a budget amendment in an open meeting to reflect such changes.

Effect:

By not amending the original budget in accordant with the budgets laws set by the state, the Town of Delhi, Louisiana is out of compliance with the budget law.

Recommendation:

The Town should amend its budgets to be in compliance with state budget laws.

TOWN OF DELHI, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009 (continued)

Section II - Financial Statement Findings (continued)

09-2 Budget Variances (continued)

Management's Corrective Action Plan:

The Town of Delhi will amend its budgets to be in compliance with state budget laws.

Section III - There are no findings or questioned costs for Federal Awards, including those specified by OMB Circular A-133.

TOWN OF DELHI, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Section I – Internal Control and Compliance Material to the Financial Statements

08-1 Ticket Fines

Condition:

During the audit of the police department of the Town of Delhi, Louisiana, it was noted that the police chief continues to accept partial payments of fines for tickets written for traffic violations and other civil matters and that these payments are held at the police department.

Recommendation:

All fines should be collected for the full amount of the fine and all money is to be collected at Town Hall, not at the police station.

Action Taken:

This action has been reduced significantly from prior year but continues to some degree. See finding 09-1.

08-2 Budget Variances

Condition:

During the audit of the Town of Delhi, Louisiana, it was noted that several line items in the budget adopted for the year ended September 30, 2008 failed to meet total budget revenues and expenditures by five percent or more.

Recommendation:

The Town should amend its budgets to be in compliance with state budget laws.

Action Taken:

The Mayor's office complies with state budget laws by providing the Council with financial statements each month. These monthly financial statements provide in written detail the amounts of funds collected and expended. Also provided monthly is a budget summary with variances listed by each line item. Traditionally the Council waits until the completion of the year to amend the budget. In order to comply with state budget laws, the Amending of the Budget was placed on the March Council agenda. Budget variances and a proposed resolution with amended amounts and a written explanation for the variances were provided to the Council prior to the March Council meeting. Before a motion was made, the Council had a discussion on why the budget is not amended prior to this time. A motion to amend the budget was made but died for a lack of a second. Subsequently, the Mayor tried to have a special meeting to amend the budget, but the meeting did not take place due to a lack of a quorum. The Mayor informed the Town's accounting firm that the Council seemed to be at an impasse and would not amend the budget before March 31, 2009.

The Mayor will continue to notify the Council by providing a written financial statement and budget summary with variances on a monthly basis. The Mayor understands that the state budget law is specific in that he is to inform the Council in writing when the budget is in a 5% variance but is vague by not providing a specific time as to when the Council must act upon the notification of a budget variance. See Finding 09-2.

TOWN OF DELHI, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2009 (continued)

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III – Management Letter

This section is not applicable for this entity.

OTHER SUPPLEMENTAL INFORMATION

TOWN OF DELHI, LOUISIANA
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

<u>Board Member:</u>	<u>Amount</u>
J.C. Smith	\$ 4,800
Shirley McDade	4,800
W. B. Sumner	4,800
Marvin D. Hamilton	4,800
Bobby Benson	<u>4,800</u>
Total	<u>\$ 24,000</u>