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VILLAGE OF ATHENS, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

7/9/08

Marsha O. Millican
Certified Public Accountant
Shreveport, Louisiana

VILLAGE OF ATHENS, LOUISIANA
DECEMBER 31, 2007
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Marsha O. Millican
CERTIFIED PUBLIC ACCOUNTANT

The Honorable Hubie James, Mayor
Members of the Board of Aldermen
Village of Athens, Louisiana

I have compiled the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Athens, Louisiana, as of December 31, 2007, the schedule listed as required supplemental information in the table of contents, and the accompanying supplementary information contained in Schedule of Compensation - Mayor and Aldermen, which is presented only for supplementary analysis purposes, for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements, and, accordingly, do not express an opinion or any other form of assurance on them.

The Village of Athens has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

The accounting records of the Village do not properly reflect the Village's activities for the year due to improper software installation. Because the significance and pervasiveness of this matter makes it difficult to assess its impact on the financial statements taken as a whole, users of these financial statements should recognize that they might reach different conclusions about the respective financial positions of the governmental activities, business-type activities, major funds, and remaining fund information of Village of Athens and the changes in financial position and cash flows if they had access to revised financial statements that properly reflected the activities of the Village.

Marsha O. Millican

Certified Public Accountant
June 26, 2008

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VILLAGE OF ATHENS, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

ASSETS	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Assets			
Cash	\$ 19,648	\$ 38,352	\$ 58,000
Accounts receivable	7,420	5,379	12,799
Due from other funds	-	10,699	10,699
Prepaid expenses	-	-	-
Total Current Assets	<u>27,068</u>	<u>54,430</u>	<u>81,498</u>
Noncurrent Assets			
Restricted cash	-	5,757	5,757
Capital assets, net	<u>245,233</u>	<u>470,519</u>	<u>715,752</u>
Total Noncurrent Assets	<u>245,233</u>	<u>476,276</u>	<u>721,509</u>
Total Assets	<u><u>272,301</u></u>	<u><u>530,706</u></u>	<u><u>803,007</u></u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	702	658	1,360
Due to other funds	<u>10,699</u>	-	<u>10,699</u>
Total current liabilities	<u>11,401</u>	<u>658</u>	<u>12,059</u>
Noncurrent Liabilities			
Long-term debt, net of current portion	-	-	-
Customer deposits	<u>-</u>	<u>6,565</u>	<u>6,565</u>
Total Noncurrent liabilities	<u>-</u>	<u>6,565</u>	<u>6,565</u>
Total liabilities	11,401	7,223	18,624
NET ASSETS			
Investment in capital assets, Net of related debt	245,233	470,519	715,752
Unrestricted	<u>15,667</u>	<u>52,964</u>	<u>68,631</u>
Total Net Assets	<u>260,900</u>	<u>523,483</u>	<u>784,383</u>
Total Liabilities and Net Assets	<u><u>\$ 272,301</u></u>	<u><u>\$ 530,706</u></u>	<u><u>\$ 803,007</u></u>

See accountant's compilation report.

VILLAGE OF ATHENS LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 39,127	-	-	\$ -	\$ (39,127)	\$ -	\$ (39,127)
Depreciation	6,524	-	-	-	(6,524)	-	(6,524)
Total Governmental Activities	45,651	-	-	-	(45,651)	-	(45,651)
Business-Type Activities							
Utility Fund	62,087	73,925	-	-	-	11,838	11,838
Total Business-Type Activities	62,087	73,925	-	-	-	11,838	11,838
Total Primary Government	107,738	73,925	-	-	(45,651)	11,838	(33,813)
General Revenues							
Taxes							
Ad Valorem					6,538	-	6,538
Franchise					5,358	-	5,358
Beer					121	-	121
License and Permits					28,791	-	28,791
Miscellaneous					555	980	1,535
Transfers					-	-	-
Total General Revenues and Transfers					41,363	980	42,343
Change in Net Assets					(4,288)	12,818	8,530
Net Assets, Beginning of Year					265,188	510,665	775,853
Net Assets, End of Year					\$ 260,900	\$ 523,483	\$ 784,383

VILLAGE OF ATHENS, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

ASSETS		
Cash		\$ 19,648
Taxes and accounts receivable		7,420
Due from other funds		-
Prepaid expenses		-
		<hr/>
Total Assets		<u>27,068</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and accruals		702
Due to other funds		10,699
		<hr/>
Total Liabilities		11,401
Fund Balances		
Unreserved		15,667
		<hr/>
Total Fund Balances		15,667
		<hr/>
Total Liabilities and Fund Balances		<u>\$ 27,068</u>

See accountant's compilation report.

VILLAGE OF ATHENS, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007

Total Fund Balance for Governmental Funds	\$ 15,667
Total Net Assets for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>245,233</u>
Total Net Assets of Governmental Activities	<u>\$ 260,900</u>

See accountant's compilation report.

VILLAGE OF ATHENS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues			
Taxes			
Ad Valorem	\$ 6,538	\$ -	\$ 6,538
Beer	121	-	121
Franchise	5,358	-	5,358
Intergovernmental	-	-	-
Licenses and Permits	28,791	-	28,791
Miscellaneous	555	-	555
Total Revenues	<u>41,363</u>	<u>-</u>	<u>41,363</u>
Expenditures			
General Government	39,033	-	39,033
Capital Projects	-	94	94
Total Expenditures	<u>39,033</u>	<u>94</u>	<u>39,127</u>
Net Change in Fund Balances	2,330	(94)	2,236
Fund Balances, Beginning of year	<u>13,337</u>	<u>94</u>	<u>13,431</u>
Fund Balances, End of year	<u>\$ 15,667</u>	<u>\$ -</u>	<u>\$ 15,667</u>

See accountant's compilation report.

VILLAGE OF ATHENS, 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 DECEMBER 31, 2007

Net Changes in Fund Balances - Total Governmental Funds \$ 2,236

The change in Net Assets reported for governmental activities
in the statement of activities is different because:

Governmental funds report capital outlays as
expenditures. However, in the statement of
activities the cost of those assets is allocated
over their estimated useful lives and
reported as depreciation expense. This is the
amount by which depreciation (\$6,524)
exceeds capital outlay (\$-) in the current
period

(6,524)

Change in Net Assets of Governmental Activities

\$(4,288)

See accountant's compilation report.

VILLAGE OF ATHENS, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
DECEMBER 31, 2007

Assets	
Current Assets	
Cash	\$ 38,352
Accounts receivable	5,379
Due from other funds	<u>10,699</u>
Total Current Assets	<u>54,430</u>
Noncurrent Assets	
Restricted cash	5,757
Capital Assets, Net	<u>470,519</u>
Total Noncurrent Assets	<u>476,276</u>
Total Assets	<u>\$ 530,706</u>
Liabilities and Fund Balances	
Liabilities	
Accounts payable and accruals	\$ 658
Due to other funds	<u>-</u>
Total Current Liabilities	<u>658</u>
Noncurrent Liabilities	
Customer deposits	<u>6,565</u>
Total Noncurrent Liabilities	<u>6,565</u>
Total Liabilities	7,223
Net Assets	
Investments in capital assets, Net of related debt	470,519
Unrestricted	<u>52,964</u>
Total Net Assets	<u>523,483</u>
Total Liabilities and Net Assets	<u>\$ 530,706</u>

See accountant's compilation report.

VILLAGE OF ATHENS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

OPERATING REVENUES

Charges for Services	\$ 73,925
Miscellaneous	980
Total Operating Revenues	74,905

OPERATING EXPENSES

Personal Services	14,754
Utilities	9,432
Repair and maintenance	4,305
Other supplies and expenses	16,351
Depreciation	17,245
Total Operating Expenses	62,087

Change in Net Assets	12,818
Net Assets, Beginning of Year	510,665
Net Assets, End of Year	\$ 523,483

See accountant's compilation report.

VILLAGE OF ATHENS, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
YEAR ENDED DECEMBER 31, 2007

Cash flows from operating activities:	
Cash received from customers	\$ 74,520
Cash payments to suppliers and employees	(54,575)
Other operating income	980
Net cash provided by operating activities	<u>20,925</u>
 Net decrease in cash	 20,925
 Cash, January 1, 2007 (including \$5,979 in restricted accounts)	 <u>23,184</u>
 Cash, December 31, 2007 (including \$5,757 in restricted accounts)	 <u>\$ 44,109</u>
 Reconciliation of changes in net assets to net cash provided by operating activities:	
Changes in net assets before other expenses	\$ 12,818
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	17,245
Changes in assets and liabilities	
Decrease in accounts receivable	595
Increase in due from other funds	(10,699)
Decrease in accounts payable	(169)
Increase in customer deposits	<u>1,135</u>
 Net cash provided by operating activities	 <u>\$ 20,925</u>

See accountant's compilation report.

VILLAGE OF ATHENS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

The Village of Athens was incorporated under the provisions of the Lawrason act. The Village operates under a Mayor-Aldermen form of government. The Village's major operations include fire protection, public works, recreation and parks, utilities, and general administrative services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of the Village of Athens have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. Reporting Entity

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village of Athens is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Village of Athens may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

C. Government - Wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include a) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and b) grants and contributions that are restricted to meetings the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF ATHENS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

The Village of Athens reports the following governmental and proprietary funds:

Governmental Funds

Governmental funds account for all or most of the Village of Athen's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of capital assets.

General Fund - is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Village are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

VILLAGE OF ATHENS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The Village of Athens applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Fund - is used to account for operations a) that are financed/operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

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

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

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

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Village of Athens prepares and adopts a budget each year for its general and special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Village amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

VILLAGE OF ATHENS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Village of Athens, Louisiana defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

G. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

H. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2007, all accounts receivable are considered to be fully collectible.

I. Capital Assets

Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, 10 to 25 years for the distribution system and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

VILLAGE OF ATHENS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

Village of Athens has no full-time employees. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

K. Estimates

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

NOTE 2 LEVIED TAXES

The Village of Athens levies taxes on real and business personal property located within its boundaries. The Claiborne Parish Sheriff collects the Village's property taxes. Ad valorem taxes are levied on October 31 and are payable upon receipt of notice. Ad valorem taxes attach as an enforceable lien on property as of December 31, of each year. Taxes of 6.97 mills were levied on assessed values of 1,064,739 for general purposes. Total property taxes levied were \$7,421. Property tax receivable at December 31, 2007 totaled \$6,297.

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Village of Athens may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2007, all accounts were fully secured by FDIC insurance.

NOTE 4 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2006:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Taxes			
Ad valorem	\$ 6,297	\$ -	\$ 6,297
Franchise	1,123	-	1,123
Charges for services	-	5,379	5,379
Total	<u>\$ 7,420</u>	<u>\$ 5,379</u>	<u>\$ 12,799</u>

VILLAGE OF ATHENS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 5 CAPITAL ASSETS

A summary of the Village of Athens's capital assets at December 31, 2007 follows:

	<u>Balance</u> <u>Jan. 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>Dec. 31, 2007</u>
Government Activities				
Capital Assets, being depreciated				
Buildings and other improvements	280,599	-	-	280,599
Less accumulated depreciation	<u>(28,842)</u>	<u>(6,524)</u>	<u>-</u>	<u>(35,366)</u>
Total Capital Assets, net	<u>\$ 251,757</u>	<u>\$ (6,524)</u>	<u>\$ -</u>	<u>\$ 245,233</u>
Business-Type Activities				
Capital Assets, being depreciated				
Distribution system	\$ 776,165	\$ -	\$ -	\$ 776,165
Less accumulated depreciation	<u>(288,401)</u>	<u>(17,245)</u>	<u>-</u>	<u>(305,646)</u>
Business-Type Activities Total Capital Assets, net	<u>\$ 487,764</u>	<u>\$ (17,245)</u>	<u>\$ -</u>	<u>\$ 470,519</u>
Primary Government Total Capital Assets, net	<u>\$ 739,521</u>	<u>\$ (23,772)</u>	<u>\$ -</u>	<u>\$ 715,752</u>

NOTE 7 RISK MANAGEMENT

The Village of Athens is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

NOTE 8 CLAIMS AND JUDGMENTS

The Village of Athens participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Village may be required to reimburse the grantor government. The Village believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Village.

VILLAGE OF ATHENS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Ad Valorem	\$ 7,476	\$ 7,476	\$ 6,538	\$ 424
Licenses & Permits	27,524	27,524	34,149	4,210
Miscellaneous	-	-	676	676
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>41,363</u>	<u>5,310</u>
Expenditures:				
General Government	<u>23,250</u>	<u>23,250</u>	<u>39,033</u>	<u>(15,783)</u>
Total Expenditures	<u>23,250</u>	<u>23,250</u>	<u>39,033</u>	<u>(15,783)</u>
-				
Excess Revenues Over Expenditures	11,750	11,750	2,330	(10,473)
Fund Balances, Beginning	13,337	13,337	13,337	
Fund Balances, Ending	<u>\$ 25,087</u>	<u>\$ 25,087</u>	<u>\$ 15,667</u>	<u>\$ (10,473)</u>

VILLAGE OF ATHENS, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO MAYOR AND
BOARD OF ALDERMEN

YEAR ENDED DECEMBER 31, 2007

Hubie James, Mayor	\$ 3,300
Gary Williams	900
Melba Stassen	900
Bobbie Powell	<u>-</u>
Total	<u>\$ 5,100</u>

VILLAGE OF ATHENS, LOUISIANA

Corrective Action Taken on Prior Year Findings

For the Year Ended December 31, 2007

FINDING # 2006-1:

Condition: The segregation of duties is inadequate to provide effective internal control. This is a repeat finding.

Status: Unresolved.

FINDING #2006-2:

Condition: The Village was in violation of the state budget law.

Status: Unresolved. The Village adopted a budget, but did not amend the budget as required by the state budget law.

FINDING #2006-3:

Condition: The Village's accounting records do not accurately reflect revenue recognition.

Status: Resolved subsequent to December 31, 2007.

VILLAGE OF ATHENS, LOUISIANA

Schedule of Findings

For the Year Ended December 31, 2007

FINDING # 2007-1:

Condition: The segregation of duties is inadequate to provide effective internal control. This is a repeat finding.

Cause:

The condition is due to space and economic limitations.

Recommendation:

No action is recommended.

FINDING # 2007-2:

Condition: The accounting records of the Village did not properly reflect the Village's activities for the year.

Cause: The software utilized by the Village was not installed properly to reflect the activities of the Village's funds for the year.

Recommendation: I recommend the Village install software to properly reflect the Village's activities.

Management's Corrective Action Plan: The accounting records of the Village will properly reflect the activity of the Village's funds in the future.

FINDING # 2007-3:

Condition: The Village did not comply with the Louisiana Budget Law. This is a repeat finding.

Cause: Actual expenditures exceeded budgeted expenditures by more than 5%; the Village did not amend the budget as required by the state budget law.

Recommendation: I recommend the Village comply with the state budget law.

Management's Corrective Action Plan: We will comply with the state budget law in the future.