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**TOWN OF OAK GROVE, LOUISIANA**

*General Purpose Financial Statements  
And Independent Auditor's Report  
As Of And For The Year Ended June 30, 1981  
With Supplemental Information Schedules*

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

Release Date 11/25/81

**BARRETT S. FURNER, CPA**  
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**Independent Auditor's Report**

**To the Mayor and Council Members  
Town of Oak Grove**

I have audited the accompanying general purpose financial statements of the Town of Oak Grove, Louisiana as of and for the year ended June 30, 2004, as listed on the table of contents. These general purpose financial statements are the responsibility of the Town of Oak Grove Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Oak Grove, Louisiana, as of June 30, 2004, and the results of its operations and the cash flows of its proprietary fund types and non-expendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated November 12, 2004, on my consideration of the Town of Oak Grove, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.



**DARLA S. TURNER**  
**CERTIFIED PUBLIC ACCOUNTANT**

**Bossier, Louisiana**  
**November 12, 2004**

**TOWN OF OAK GROVE, LOUISIANA**

**Combined Balance Sheet - All Fund Types and Account Groups**

**June 30, 2001**

	GOVERNMENTAL FUND TYPES		
	General Fund	Special Revenue Funds	Debt Service Fund
<b>ASSETS AND OTHER DEBITS</b>			
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 218,070	\$ 1,422,862	\$ 217,020
Receivables - (net, where applicable, of allowance for uncollectibles):			
Ad Valorem taxes	18,450	30,327	-
Accounts	-	-	-
Inventory	-	-	-
Restricted assets	-	-	-
Notes receivable (Note 10)	8,320	-	-
<b>Fixed Assets</b>			
Property and equipment (net of accumulated depreciation)	-	-	-
<b>OTHER DEBITS</b>			
Amount available in debt service fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 308,491</b>	<b>\$ 1,471,289</b>	<b>\$ 217,020</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,420	4,110	-
Refundable sales tax	-	-	-
Payable from restricted assets:			
Revenue bond	-	-	-
Accrued interest and expenses	-	48,275	-
Customers' deposits	-	-	-
Deferred revenues	-	-	-
Refundable deposits	2,480	-	-
General obligation bonds payable	-	-	-
Revenue bonds payable	-	-	-
<b>Total Liabilities</b>	<b>4,910</b>	<b>49,325</b>	<b>-</b>
<b>FUND EQUITY AND OTHER CREDITS</b>			
Contributed capital	-	-	-
Investment in general fixed assets	-	-	-
Retained earnings:			
Reserve	-	-	-
Fund balances:			
Assigned for debt service	-	-	217,020
Unreserved - undesignated (deficit)	303,581	1,471,969	-
<b>Total Equity and Other Credits</b>	<b>303,581</b>	<b>1,471,969</b>	<b>217,020</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 308,491</b>	<b>\$ 1,471,289</b>	<b>\$ 217,020</b>

See accompanying notes to condensed financial statements.

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
Enterprise Fund	Trust and Agency Fund			
\$ 383,754	\$ 8,755	\$ -	\$ -	\$ 3,491,857
-	-	-	-	55,760
49,134	-	-	-	89,328
10,801	-	-	-	90,801
271,551	-	-	-	371,551
-	-	-	-	9,255
-	-	-	-	-
3,794,818	-	1,485,308	-	5,250,127
-	-	-	317,628	317,628
-	-	-	2,142,474	2,142,474
<u>\$ 4,310,298</u>	<u>\$ 8,755</u>	<u>\$ 1,485,308</u>	<u>\$ 2,460,000</u>	<u>\$ 10,250,295</u>
5,271	-	-	-	52,108
-	-	-	-	-
-	-	-	-	-
89,771	-	-	-	89,771
15,504	8,755	-	-	89,992
41,804	-	-	-	41,804
-	-	-	-	-
-	-	-	-	2,488
-	-	-	2,480,000	2,480,000
574,826	-	-	-	874,628
<u>1,156,869</u>	<u>8,755</u>	<u>-</u>	<u>2,480,000</u>	<u>3,940,885</u>
2,812,853	-	-	-	2,812,853
-	-	1,485,308	-	1,485,308
-	-	-	-	-
488,347	-	-	-	488,347
-	-	-	-	217,628
-	-	-	-	1,759,581
<u>3,275,700</u>	<u>-</u>	<u>1,485,308</u>	<u>-</u>	<u>6,832,633</u>
<u>\$ 4,316,000</u>	<u>\$ 8,755</u>	<u>\$ 1,485,308</u>	<u>\$ 2,480,000</u>	<u>\$ 10,558,285</u>

**TOWN OF OAK GROVE, LOUISIANA**

**Governmental Funds  
Combined Statement of Revenues, Expenditures, and Changes  
In Fund Balances  
For the Year Ended June 30, 2001**

	GOVERNMENTAL	
	General Fund	Special Revenue Funds
<b>REVENUES</b>		
Local sources:		
Taxes:		
Ad valorem	\$ 34,350	\$ 76,854
Sales and use	-	480,700
Other	-	-
Licenses and permits	110,887	-
Restricted grants-in-aid:		
Federal sources	-	-
State sources	24,950	-
Energy grant	-	-
Fees, charges and commissions	60,687	-
Fines and forfeitures	21,626	-
Earned portion operating lease	-	81,000
Use of money and property	17,230	84,755
Other revenues	12,436	1,842
<b>Total Revenues</b>	<b>348,026</b>	<b>780,806</b>
<b>EXPENDITURES</b>		
General government	602,650	146,117
Public safety	165,287	-
Public works	580	158,521
Capital outlay	11,080	54,519
Technical development	-	2,735
Debt service:		
Principal retirement	-	-
Interest and bond charges	-	-
<b>Total Expenditures</b>	<b>880,007</b>	<b>361,832</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>50</b>	<b>418,974</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers in	-	70,304
Operating transfers (out)	(28,255)	(221,848)
<b>Total Other Financing Sources (Uses)</b>	<b>(28,255)</b>	<b>(151,544)</b>
<b>Net Increase (Decrease)</b>	<b>(28,155)</b>	<b>167,430</b>
<b>Fund Balances, Beginning</b>	<b>503,085</b>	<b>1,233,801</b>
<b>Fund Balances, Ending</b>	<b>\$ 474,930</b>	<b>\$ 1,401,231</b>

FUND TYPES		
State Service Fund	Capital Projects Fund	Totals (Interim Only)
\$ -	\$ -	\$ 951,184
-	-	448,781
-	-	-
-	-	919,687
-	-	-
-	478,000	601,648
-	-	-
-	-	66,687
-	-	21,825
-	-	65,000
50,000	1,211	128,880
-	-	14,056
<u>100,000</u>	<u>271,004</u>	<u>1,640,414</u>
-	-	338,080
-	-	145,887
-	-	187,687
-	682,288	887,877
-	-	2,275
80,000	-	80,000
121,232	-	121,232
<u>201,232</u>	<u>682,288</u>	<u>1,623,437</u>
(204,500)	(714,494)	32,947
222,849	-	290,000
-	(80,837)	(268,054)
<u>222,849</u>	<u>(80,837)</u>	<u>(7)</u>
18,280	(170,208)	22,548
<u>240,248</u>	<u>170,208</u>	<u>2,085,891</u>
<u>\$ 217,028</u>	<u>\$ -</u>	<u>\$ 2,078,027</u>

**TOWN OF OAK GROVE, LOUISIANA**

**Combined Statement of Revenues, Expenditures, and Changes In Fund Balances  
Budget and Actual - General Fund, Special Revenue Funds and Capital Project Funds**

**For the Year Ended June 30, 2001**

	Budget	General Fund Actual	Variance
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 73,480	\$ 74,250	\$ 800
Sales and use	-	-	-
Other	-	-	-
Licenses and permits	902,000	1,03,887	11,583
Restricted grants in-aid:			
Federal sources	-	-	-
State sources	27,000	24,800	(2,000)
Unrestricted grant - Entergy	-	-	-
Fees, charges and contributions	60,700	80,807	2,087
Fines and forfeitures	34,000	21,825	(2,175)
Earned portion operating lease	-	-	-
Use of money and property	18,300	17,230	800
Other	-	-	-
<b>Total Revenues</b>	<b>947,080</b>	<b>989,812</b>	<b>2,120</b>
<b>EXPENDITURES</b>			
General Governmental	698,000	187,857	(4,782)
Public Safety	148,000	140,287	2,000
Public Works	-	808	(800)
Industrial development	100	-	100
Capital outlay	24,000	11,860	12,000
<b>Total Expenditures</b>	<b>908,200</b>	<b>940,812</b>	<b>11,020</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(12,120)</b>	<b>68</b>	<b>(12,780)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	-	-
Operating transfers (out)	-	(20,200)	(20,200)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(20,200)</b>	<b>(20,200)</b>
<b>Net Increase (Decrease)</b>	<b>(12,120)</b>	<b>(20,132)</b>	<b>(7,000)</b>
<b>Fund Balances, Beginning</b>		<b>263,808</b>	
<b>Fund Balances, Ending</b>		<b>243,676</b>	



Special Revenue Funds			Capital Project Funds		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 71,900	\$ 70,804	\$ 1,096	\$ -	\$ -	\$ -
488,800	440,701	1,279	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	600,800	470,800	(129,987)
-	-	-	-	-	-
-	-	-	-	-	-
-	91,000	91,000	-	-	-
73,000	94,700	21,700	1,029	1,211	182
11,700	1,047	(10,653)	-	-	-
<u>800,300</u>	<u>708,602</u>	<u>100,698</u>	<u>601,829</u>	<u>477,800</u>	<u>(123,129)</u>
548,750	548,117	633	-	-	-
-	-	-	-	-	-
900,180	908,021	7,841	-	-	-
-	2,776	(2,776)	-	-	-
36,000	64,000	(28,000)	677,000	600,000	77,000
<u>947,330</u>	<u>976,934</u>	<u>(29,604)</u>	<u>677,000</u>	<u>600,000</u>	<u>77,000</u>
<u>282,300</u>	<u>241,000</u>	<u>41,300</u>	<u>(17,877)</u>	<u>(114,882)</u>	<u>(97,005)</u>
50,000	70,104	20,104	-	-	-
<u>(221,800)</u>	<u>(221,800)</u>	<u>0</u>	<u>(24,087)</u>	<u>(58,000)</u>	<u>(33,913)</u>
<u>(180,800)</u>	<u>(140,700)</u>	<u>40,100</u>	<u>(34,087)</u>	<u>(58,000)</u>	<u>(23,913)</u>
80,000	184,200	104,200	(100,004)	(170,000)	69,996
	<u>1,250,000</u>			<u>170,000</u>	
	<u>\$ 1,428,808</u>			<u>\$ -</u>	

**Statement of Revenues, Expenses and Changes in Fund Equity**  
**Proprietary Fund Type**  
**For the Year Ended June 30, 2001**

<b>REVENUES</b>	
Charges for services	\$ 478,811
Other income	7,267
<b>Total Operating Revenues</b>	<u>486,078</u>
<b>OPERATING EXPENSES</b>	
Personal services	188,217
Materials, supplies and repairs	65,008
Other operating expenses	88,087
Depreciation	143,713
<b>Total Operating Expenses</b>	<u>485,025</u>
<b>Operating Income</b>	61,053
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest revenues	30,300
Interest expenses	(58,708)
<b>Total Nonoperating Revenues and Expenses</b>	<u>(28,408)</u>
<b>NET INCOME</b>	32,645
<b>Retained Earnings at Beginning of Year</b>	<u>443,028</u>
<b>Retained Earnings at End of Year</b>	475,673
<b>Contributed Capital at Beginning of Year</b>	2,890,000
Capital contributions	255,781
<b>Contributed Capital at End of Year</b>	<u>3,145,781</u>
<b>Fund Equity at End of Year</b>	<u>\$ 3,621,454</u>

**Statement of Cash Flow**  
**Proprietary Fund Type**  
**For the Year Ended June 30, 2001**

**Cash Flows From Operating Activities:**

Operating income	\$	61,656
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		163,713
Changes in assets and liabilities:		
Increase in accounts receivable		(3,240)
Increase in accounts payable		3,205
Decrease in interest payable		(2,500)
Increase in customers' deposits		4,801
	Total Adjustments	140,939
<b>Net Cash Provided By Operating Activities</b>		<b>202,595</b>

**Cash Flows From Capital and Related Financing Activities:**

Acquisition and construction of capital assets	(264,873)
Capital grants received	152,264
Interest paid on bonds	(89,708)
Principal payment on bonds	(145,873)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(348,190)</b>

**Cash Flows From Investing Activities:**

Interest on cash and investments	30,388
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**Net Increase in Cash and Cash Equivalents**      10,693

**Cash and Cash Equivalents at Beginning of Year**      691,486

**Cash and Cash Equivalents at End of Year**      \$ 702,179

## NOTES TO THE COMBINED FINANCIAL STATEMENTS For the Year Ended June 30, 2001

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Introduction

The financial statements of the Town of Oak Grove, Louisiana are prepared in accordance with the generally Accepted Accounting Principles (GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting procedures also conform to the legal enactments of Louisiana Revised Statutes 24:153, to the guidelines set forth in the Louisiana Governmental Audit Guide, and its related audit guide, Audits of State and Local Governmental Units.

The accounting and reporting framework and the most significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the Town's financial activities for the fiscal year ended June 30, 2001.

#### B. Financial Reporting Entity - Basis Of Presentation

The Town of Oak Grove, Louisiana, was incorporated January 4, 1985, under the provisions of The Home Rule Charter as provided by State Law Reference L.R.S. 33:1281-1295. A copy of the ratified charter is recorded in Charter Book 'B' at page 491, of the records of West Carroll Parish, Louisiana. At June 30, 2001, the Town had a population of 2,200. The citizens elect the Mayor, who is the executive officer, and the five Council members. The Council elects the Mayor Pro-Tem.

As the municipal governing authority, for reporting purposes, the Town of Oak Grove, Louisiana is considered a separate financial entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government could cause the statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Oak Grove, Louisiana for the financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body.
  - A. The ability of the municipality to impose its will on that organization and/or
  - B. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are financially dependent on the municipality.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

### For the Year Ended June 30, 2001

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

#### C. Funds and Account Groups

The Town of Oak Grove uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the Town of Oak Grove are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

#### Governmental Funds

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

**General Fund** - the general operating fund of the Town of Oak Grove and accounts for all financial resources, except those required to be accounted for in other funds.

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

**Debt Service Funds** - account for transactions relating to resources obtained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

#### 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 both focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include enterprise funds and internal service funds.

Proprietary funds include:

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

### For the Year Ended June 30, 2001

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

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

#### Financial Funds

**Agency Funds** - account for assets held by the Town of Oak Grove on behalf of others as its agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

#### D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds, expendable trust funds, and agency funds. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

#### Revenues

Property taxes attach as an enforceable lien on property as of January 1. Taxes are listed by the Town in September or October and are actually billed on October 1, and are mailed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from all uniform taxes are levigated in the year they are billed. The Town bills and collects its own property taxes using the assessed value determined by the tax assessor of West Carroll Parish. The year ended June 30, 2001, taxes of 17.68 mills were levied on property with assessed valuations totaling \$8,126,899, and were allocated as follows:

General corporate purposes	9.02 mills
Street Maintenance	6.13 mills
Library	2.44 mills

Property tax revenues are recognized when they become available. Available includes those property tax receivables elected to be collected within sixty days after year end. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

Fines, bond forfeitures, and fees are recognized when collected by the Town. Interest income is recorded when it is credited to accounts by the bank.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2001**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**Expenditures**

Salaries are recorded as expenditures when earned by employees.

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Principal and interest on general long-term debt and installment purchase payments are recognized when due.

**Deferred Revenues**

The Town of Oak Grove reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the Town of Oak Grove before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Town of Oak Grove has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**E. Budgets**

The Town of Oak Grove (Mayor and Council) uses the following budget practices:

1. Prior to June 30, the Town Clerk submits to the Mayor and Council Members a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. The budget is submitted in summary form. In addition, more detailed line item budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level.
2. Public hearings are conducted to obtain taxpayer comment.
3. During the month of July the budget is legally enacted through passage of an ordinance.
4. Fiscal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Debt Service Fund.
5. Budgets for the General, Capital Projects, and Special Revenue Funds are adopted on the cash/disposition/expenditure basis.
6. Appropriations lapse at the end of each fiscal year.
7. The Mayor and Council Members may authorize supplemental appropriations during the year.

Budgets are also adopted for the Proprietary Fund

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

### For the Year Ended June 30, 2001

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

##### F. Encumbrances

Encumbrance accounting is not used.

##### G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town of Oak Grove may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks registered under Louisiana law and national banks having their principal office in Louisiana. Some of the cash and cash equivalents are restricted. Cash deposits are reported at carrying amount which reasonably approximates fair value.

Under state law, the Town of Oak Grove may invest in United States bonds, treasury notes, or certificates. Those are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost and are restricted.

##### H. Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domains or infrastructures, such as street overpasses, sidewalks and lighting are not capitalized. It is the policy of the Town to capitalize purchases over \$200. All fixed assets are valued at cost.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all depreciable fixed assets used by proprietary fund operations is charged as an expense against operations. No depreciation has been provided for general fixed assets. Depreciation is computed using the straight-line method and the following useful lives:

Plant/Street Collection System	50 years
Machinery and Equipment	5-10 years

##### I. Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds as they due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

##### J. Compensated Absences

Town employees are entitled to three days of compensated absences. However, compensated absences do not vest or accumulate and are recorded as expenditures when they are paid.



## NOTES TO THE COMBINED FINANCIAL STATEMENTS

### For the Year Ended June 30, 2001

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

##### K. Restricted Assets

These assets consist of cash and cash equivalents restricted for both water works and sewer systems, debt service and general funds.

##### L. Fund Equity

###### Contributed Capital

Contributed capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on their portion of the assets acquired or constructed from such resources.

###### Reserves

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

###### Designated Fund Balances

Designated fund balances represent tentative plans for future uses of financial resources.

##### M. Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are prepared only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

#### NOTE 2 - CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks, having principal offices in Louisiana. The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at fiscal year-end. The categories are described as follows:

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

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

### For the Year Ended June 30, 2021

#### NOTE 2- CASH AND CASH EQUIVALENTS (Cont'd.)

The Town's level of risk assumed at fiscal year-end was a Category 1.

Bank One Trust Company, N.A., Global Corporate Trust, holds investments in One Group U. S. Treasury Money Market accounts in the Town's name. These accounts are for servicing the 1873 bonds issued by the Town.

The Town's investments in U. S. Treasury Securities are categorized to give an indication of the level of risk assumed by the Town at fiscal year-end. The categories are described below:

- Category 1 - Insured, registered, or securities held by the Town or its agent in the Town's name
- Category 2 - Uninsured and unregistered, with securities held by the counterpart's trust department in the Town's name
- Category 3 - Uninsured and unregistered, with securities held by the counterpart, or its trust department or agent but not in the Town's name

The Town's assumed risk on these money market investments is a Category 2.

At June 30, 2021, the Town had cash and cash equivalents totaling \$2,732,228, as follows:

Non-Pooled Deposits:	Cost	Fair Value
Non-pooled cash and cash equivalents:		
General Fund	\$ 370,873	\$ 312,670
Special Revenue Funds	1,422,862	1,422,952
Capital Projects Funds	-	-
Proprietary Fund	582,854	582,854
Proprietary Fund - Investments	81,281	81,281
Economic Development Fund	-	-
Debt Service Fund	812,538	812,538
Trust and Agency Fund	8,782	8,782
	<u>\$ 2,732,228</u>	<u>\$ 2,732,228</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be insured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2021, are assumed as follows:

Bank Balances	<u>\$ 2,732,228</u>
Federal Deposit Insurance	428,000
Pledged Securities	2,878,282
<b>Total</b>	<u>\$ 3,418,382</u>

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the Year Ended June 30, 2011

## NOTE 3 - FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 1/1/10	Additions	Retired Deductions	Balance 6/30/11
Land	\$ 142,592	\$ -	\$ 5,000	\$ 142,590
Building	242,805	470,800	-	713,605
Equipment	681,148	85,813	238,813	528,148
<b>Total</b>	<b>\$ 1,066,545</b>	<b>\$ 556,613</b>	<b>\$ 243,813</b>	<b>\$ 1,379,345</b>

A summary of proprietary land type property, land and equipment at June 30, 2011:

Land	\$ 10,708
Water/sewer treatment system	4,980,117
Vehicles and equipment	123,848
Furniture and equipment	21,318
	<u>5,136,031</u>
Less accumulated depreciation	3,353,211
<b>Total</b>	<b>\$ 1,782,820</b>

## NOTE 4 - GENERAL LONG TERM OBLIGATIONS

The following is a summary of bond transactions for the Town for the year ended June 30, 2011:

	General Obligation	1973 Revenue Bonds	1988 Revenue Bonds	Total
Bonds payable at July 1, 2010	\$ 2,050,000	268,000	\$ 932,875	\$ 3,250,875
New bonds issued	-	-	-	-
Bonds retired	80,000	67,000	35,875	182,875
<b>Bonds payable at June 30, 2011</b>	<b>\$ 1,970,000</b>	<b>\$ 201,000</b>	<b>\$ 897,000</b>	<b>\$ 3,068,000</b>

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2001**

**NOTE 4 - GENERAL LONG-TERM OBLIGATIONS (Continued) (Continued)**

Bonds payable at June 30, 2001, are comprised of the following issues:

**General Obligation Bonds:**

\$2,500,000 State of Louisiana Sales Tax Bonds Series 89 dated June 1, 1989, due in annual installments commencing December 1, 2000 with an amount of \$60,000 and increasing in \$5,000 increments each year through 2007; interest at various rates from 4.875% to 4.700% due each year on June 1 and December 1.

\$ 2,480,000

**Revenue Bonds:**

\$1,035,000 Water and Sewer Revenue Bonds dated July 1, 1975, due in various annual installments from \$15,000 to \$65,000 through July 1, 2005; interest at various rates from 5.5% to 8.0%.

329,000

**Revenue Bond:**

\$1,045,000 Water and Sewer Revenue Bond dated March 20, 1998, due in monthly installment \$4,865 beginning April 20, 1998 through March 20, 2008; an interest only payment of \$50,044 is due March 20, 1999; interest rate is 4.875%.

830,000

**Total** \$ 3,639,000

Principal on the general obligation and revenue bonds is scheduled to be repaid as follows:

**Year ending June 30,**

	General Obligation	1975 Revenue Bonds	1998 Revenue Bonds	Total
2002	100,000	75,000	13,387	188,387
2003	105,000	78,000	14,000	197,000
2004	110,000	81,000	14,750	205,750
2005	115,000	-	15,184	130,184
2006	120,000	-	15,647	137,647
Thereafter	1,910,000	-	388,733	2,898,733
<b>Total</b>	<b>2,480,000</b>	<b>274,000</b>	<b>830,361</b>	<b>3,584,361</b>

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions.

Interest expense for the period totaled \$180,000.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the Year Ended June 30, 2001

**NOTE 8 - CHANGES IN FISCAL YEAR FUND TYPE**

A summary of changes in fiduciary fund type is as follows:

	Balance 7/1/00	Additions	Deletions	Balance 6/30/01
Cash	\$ 8,794	\$ 458,889	\$ 458,266	\$ 8,417

**NOTE 9 - LEASE**

The Town was the Lessor in an operating lease with Gares, Inc., an apparel cutting factory. The lease was for a term of five years and one and one-half months, commencing September 10, 1999 and ending October 31, 2004. The rental for the months of September and October, 1999 was waived. These months were not less. Thereafter, the consideration and rental under this lease was \$1,500 per month, payable in advance on the first day of each calendar month, beginning November 1, 1999. Gares, Inc., at its own expense, agreed to remove all existing asbestos from the building used to purchase and install a new air conditioning system for the building. In exchange, the Town agreed to give to Gares, Inc. a 60-month credit on the rental due, commencing November 1, 1999.

This lease was terminated May 18, 2001, with all of the improvements made by Gares, Inc. becoming the property of the Town of Oak Grove.

See Note 14.

**NOTE 10 - COOPERATIVE ENDORSE**

In July, 1987, the Oak Grove Fire District purchased from the Town of Oak Grove a 1980 GMC fire truck for \$25,080. A Credit Sale of a Movable was executed by the Town and the Fire District on July 14, 1987. The terms of the promissory note, executed that same day, were that seventy-two installments of \$1,000 each were to be paid beginning July 15, 1987 and on or before the same-day each succeeding month thereafter with the final payment of \$4,000 being paid on the seventy-second month. In October, 1988, after making 19 payments of \$1,000 each, the Oak Grove Fire District requested the Town to postpone the payments for 18 months for the Fire District to get the rating lowered by the District. This request was granted. A representative of the Fire District appeared before the Town Council April 11, 2000 and requested an additional six months postponement on the payments for the fire truck. The Town Council granted this request.

On June 30, 2000, the principal balance on the promissory note was \$68,800. At the request of the Fire District, the Town forgave the debt in full.

**NOTE 11 - INTERFUND TRANSACTIONS**

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources, primarily to provide services. The governmental and proprietary type funds financial statements generally reflect such transactions as transfers.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the Year Ended June 30, 2001

## NOTE 9 - GRANT REVENUE

Grants received by the Town were as follows:

State of Louisiana - Governor's Office of Rural Development	\$	24,800
United States Department of Agriculture		70,870
State of Louisiana - Division of Administration		670,000
State of Louisiana - Office of Community Development-LODBG		175,841
		<u>971,511</u>
Total	\$	<u>1,841,521</u>

## NOTE 10 - NOTES RECEIVABLE

During the fiscal year, the Town sold 10.23 acres of land in the industrial park to Thomas Constructors, Inc. Under the terms of the Louisiana Installment Note executed by Kiley Thomas, President, Thomas Constructors, Inc. is to pay the Town 36 equal monthly installments of \$555, beginning November 1, 1998, and monthly thereafter until paid in full. The total selling price was \$20,486. Rent in the amount of \$880 paid during the fiscal year was credited toward the purchase price of this property, making the total financed amount amount \$21,366.

Following is detailed schedule regarding the sale of this property and annual payments required to amortize the note receivable:

Year	Total
2001/02	8,000
2002/03	7,620
Total	<u>15,620</u>

## NOTE 11 - PENSION COST

## Municipal Employees' Retirement System

## Plan Description

Substantially all full-time employees except police and firemen of the Town of Oak Grove are covered under the Municipal Employees' Retirement System of Louisiana (Plan R), a cost sharing multiple employer defined benefit plan retirement system (PERS), controlled and administered by a separate board of trustees. The System was established and provided for by R. S. 11:5731 of the Louisiana Revised Statutes (LRS). The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System.

The Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for Municipal Employees' Retirement System.

This report, dated September 11, 2000, for the year ended June 30, 2000, may be obtained by writing to: DuPontes, Huguierre, Hagan & Mathis, L.L.P., Certified Public Accountants, 7040-Poydras St., Suite 2000, New Orleans, Louisiana 70112, or by calling (504)605-4811.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

### For the Year Ended June 30, 2011

#### NOTE 11 - PENSION COSTS(Cont'd)

##### Funding Policy

Plan members are required to contribute 5% of their annual covered salary, and the Town of Oak Grove is required to contribute at an actuarially determined rate. The current rate for the Town of Oak Grove is 4.5% of the annual covered payroll. The contribution requirements of plan members and the Town of Oak Grove are established and may be amended by the Municipal Employees' Retirement System Board of Trustees. The Town's contributions to the Municipal Employees' Retirement System for the years ending June 30, 1999, 2000 and 2001 were \$32,085, \$29,818 and \$25,377 respectively, equal to the required contributions for each year.

Plan members who have been an active contributing member for one full year after becoming eligible to retire may elect to enter the Deferred Retirement Option Program (DROF), for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System terminates. During participation in the plan, employer contributions are payable but member contributions cease. For the year ending June 30, 2011, there were 2 plan members participating in the DROF Program. The Town of Oak Grove's contributions for that period were 4.6% for a total of \$1,484.

##### Municipal Police Retirement System

##### Plan Description

Members of the police department of the Town of Oak Grove participate in a cost sharing multiple-employer plan administered by the Municipal Police Employees' Retirement System.

The Municipal Police Employees' Retirement System provides retirement benefits for municipal police officers. Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing they do not have to pay social security and providing they meet the statutory criteria.

Benefit provisions are authorized within Act 186 of 1973 and amended by LRS 11:2211 - 11:2233. The Municipal Police Employees' Retirement System issues a publicly available financial report that includes financial statements and required by supplementary information for the Municipal Police Employees' Retirement System. That report may be obtained by writing to Dupontier, Housman, Hogan & Miller, L.L.P., Certified Public Accountants, 1040 Poydras St., Suite 2900, New Orleans, LA 70112, or by calling 1-800-949-4246.

##### Funding Policy

Plan members are required to contribute 7.5% of their annual covered salary and the Town of Oak Grove is required to contribute at an actuarially determined rate. The current rate for the Town of Oak Grove is 9% of the annual covered payroll. The contribution requirements of plan members and the Town of Oak Grove are established and may be amended by the Municipal Police Employees' Retirement System's Board of Trustees. The Town's contributions to the retirement system for the years ending June 30, 1999, 2000 and 2001 were \$19,080, \$22,267 and \$20,293 respectively, equal to the required contributions for each year.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2011****NOTE 12 - BUDGETS**

In addition to the budgets presented in the financial statements, the Town adopts budgets, which are not provided in the financial statements, for the proprietary fund, the debt service fund, the USDA grant for water lines and the LCDBG sewer grant.

**NOTE 13 - ENCUMBRANCES**

Circumstances occurring, under which purchase orders are received in order to ensure that portions of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

**NOTE 14 - SUBSEQUENT EVENTS**

In July, 2010 the Town entered into an operating lease agreement with Taber Transportation, Inc. for rental of a portion of the Oak Grove Industrial Complex, formerly known as the Wells-Lumel property. Gasar, Inc. was the prior lessee.

On November 1, 2010, Mayor James H. Dumas passed away. Roy Givens, the current Mayor Pro-Tem, will serve until the election in April, 2011. This will leave a vacant position on the Town Council. The Mayor will recommend a replacement and the Council will make the final decision.

**NOTE 15 - COMMITMENTS AND CONTINGENCIES**

The Town was committed to Deussen Engineering Co., Inc. and Bawling Davis Buildings for the construction of the expansion on the Oak Grove Industrial Complex. The monetary commitment to these companies was \$40,000. The construction was completed after the fiscal year-end and all the monies paid.

**NOTE 16 - USE OF ESTIMATES**

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to uncompleted transactions and events as of the date of the financial statements. Accordingly, actual results may differ from estimated amounts.



**Supplementary Information Schedules.**

## TOWN OF OAK GROVE, LOUISIANA

Special Revenue Funds  
 Combined Balance Sheets  
 June 30, 2001

	Sales Tax Fund	Street Fund	Cemetery Fund
<b>ASSETS AND OTHER DEBITS</b>			
Cash	\$ 808,080	\$ 141,338	\$ 158,281
Accounts receivable	58,507	-	-
Due from other funds	-	-	-
Note receivable	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 866,587</b>	<b>\$ 141,338</b>	<b>\$ 158,281</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>			
<b>LIABILITIES</b>			
Accounts payable	318	2,701	1,041
Accrued expense	48,210	-	-
Due to other funds	-	-	-
Deferred revenues	-	-	-
Receivable sales tax	-	-	-
<b>Total Liabilities</b>	<b>48,528</b>	<b>2,701</b>	<b>1,041</b>
<b>FUND EQUITY AND OTHER CREDITS</b>			
Fund balances:			
Unreserved and undesignated	808,080	138,637	157,240
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 866,587</b>	<b>\$ 141,338</b>	<b>\$ 158,281</b>

Economic Development		Total (Memorandum Only)	
\$	244,292	\$	1,037,942
	-		39,327
	-		-
	-		-
<u>\$</u>	<u>244,292</u>	<u>\$</u>	<u>1,471,269</u>
	-		4,118
	-		40,218
	-		-
	-		-
	-		-
	-		<u>44,336</u>
	<u>244,292</u>		<u>1,485,605</u>
<u>\$</u>	<u>244,292</u>	<u>\$</u>	<u>1,471,269</u>

**TOWN OF OAK GROVE, LOUISIANA**

**Special Revenue Funds**

**Combining Statement of Revenues, Expenditures, and**

**Changes in Fund Balances**

**For The Year Ended June 30, 2001**

	Sales Tax Fund	Street Fund	Country Fund
<b>REVENUES</b>			
Taxes	\$ 480,701	\$ 56,789	\$ 25,000
Use of money and property	55,894	-	5,529
Earned portion of operating lease	-	-	-
Sale of assets	-	-	3,750
Other	451	-	1,988
<b>Total Revenues</b>	<u>537,446</u>	<u>56,789</u>	<u>36,267</u>
<b>EXPENDITURES</b>			
General government	135,148	-	12,971
Public works	123,245	53,470	-
Capital outlay	41,382	12,187	-
Economic development and assistance	-	-	-
<b>Total Expenditures</b>	<u>299,775</u>	<u>65,657</u>	<u>12,971</u>
<b>Excess (Deficiency)</b>			
<b>Of Revenues Over Expenditures</b>	237,671	(8,868)	23,296
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers from other funds	75,104	-	-
Operating transfers to other funds	(277,849)	-	-
<b>Net Other Financing Sources (Uses)</b>	<u>(202,745)</u>	<u>-</u>	<u>-</u>
<b>Net Increase (Decrease)</b>	34,926	(8,868)	23,296
<b>Fund Balances, Beginning</b>	<u>607,087</u>	<u>148,457</u>	<u>135,140</u>
<b>Fund Balances, Ending</b>	<u>\$ 642,013</u>	<u>\$ 139,589</u>	<u>\$ 158,436</u>

Economic Development	Total (Memorandum Only)
\$ -	\$ 523,080
34,000	97,080
61,080	67,080
-	3,720
-	1,042
<u>105,080</u>	<u>708,082</u>
-	148,117
-	104,801
-	54,810
<u>2,770</u>	<u>2,770</u>
<u>2,770</u>	<u>354,002</u>
102,651	341,080
-	78,104
-	<u>(737,660)</u>
-	<u>(128,782)</u>
102,651	194,298
<u>343,411</u>	<u>1,732,661</u>
<u>\$ 244,287</u>	<u>\$ 1,429,680</u>

**TOWN OF OAK GROVE, LOUISIANA**

**Capital Projects Funds**

**Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances**

**For The Year Ended June 30, 2003**

	Street Overlay	Sidewalk Lighting
<b>REVENUES</b>		
Louisiana state grants	\$ -	\$ -
Use of money and property	1,028	500
<b>Total Revenues</b>	<u>1,028</u>	<u>500</u>
<b>EXPENDITURES</b>		
Capital outlay	170,818	-
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers from other funds	-	-
Operating transfers to other funds	(24,000)	(21,800)
<b>Net Other Financing Sources (Uses)</b>	<u>(24,000)</u>	<u>(21,800)</u>
<b>Net Increase (Decrease)</b>	<b>(148,790)</b>	<b>(21,800)</b>
<b>Fund Balances, Beginning</b>	<u>548,548</u>	<u>21,800</u>
<b>Fund Balances, Ending</b>	<u>400,000</u>	<u>0</u>

Building Expansion		Total (Miscellaneous Only)	
\$	470,000	\$	470,000
			1,211
	<u>470,000</u>		<u>471,211</u>
	470,000		500,000
			-
			<u>(50,001)</u>
			<u>(50,001)</u>
			-
			<u>(170,000)</u>
			170,000
			<u>-</u>
			<u>-</u>

Schedule of Compensation Paid Mayor and Board Members  
For the Year Ended June 30, 2001

<u>BOARD MEMBER</u>		<u>AMOUNT</u>
James H. Durso, Mayor	\$	8,000
Albert Alexander		1,200
Robert Ruffin		1,200
Bob Gardner, III		1,200
Jeri Holland (Mayor pro-tem)		1,600
Albert Mizell		1,200
Total	\$	<u>15,000</u>



**DARLA S. TURNER, CPA**  
*(A Professional Accounting Corporation)*  
1801 Armand, Suite C  
Metairie, Louisiana 70001  
(504) 833-8899

Schedule A

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

**To the Mayor and Council Members  
Town of Oak Grove  
Oak Grove, Louisiana**

I have audited the general purpose financial statements for the Town of Oak Grove, Louisiana, as of and for the year ended June 30, 2003, and have issued my report thereon dated November 12, 2003. I conducted my 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.

**Compliance:**

As part of obtaining reasonable assurance about whether the Town of Oak Grove, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting:**

In planning and performing my audit, I considered the Town of Oak Grove, Louisiana's internal control over financial reporting, in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting, would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I found no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.



**DARLA S. TURNER**  
**CERTIFIED PUBLIC ACCOUNTANT**  
Metairie, Louisiana  
November 12, 2003

**TOWN OF OAK GROVE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2001**

I have audited the financial statements of the Town of Oak Grove, Louisiana, as of and for the year ended June 30, 2001, and have issued my report thereon dated November 12, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2001 resulted in an unqualified opinion.

**Section 1 - Summary of Auditor's Reports**

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

There were neither material weaknesses nor reportable conditions noted during the audit of the financial statements.

There were no instances of non-compliance material to the financial statements.

**b. Federal Awards**

No major programs

**c. Dollar threshold used to distinguish between Type A and Type B Programs: None**

**d. Is this a financial audit? Yes**