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VILLAGE OF SALINE, LOUISIANA

FINANCIAL STATEMENTS

June 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 10/28/09

VILLAGE OF SALINE, LOUISIANA
JUNE 30, 2008
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VILLAGE OF SALINE, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2009

Marsha O. Millican
Certified Public Accountant
Shreveport, Louisiana



Marsha O. Millican
CERTIFIED PUBLIC ACCOUNTANT

The Honorable John Thomas, Mayor
Members of the Board of Aldermen
Village of Saline, 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 Saline, Louisiana, as of June 30, 2008, 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 Saline 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.

Marsha O. Millican

Certified Public Accountant
September 25, 2009

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VILLAGE OF SALINE, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2008

| ASSETS | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|---------------------|
| Current Assets | | | |
| Cash | \$ 12,050 | \$ 8,621 | \$ 20,671 |
| Accounts receivable | - | 3,735 | 3,735 |
| Total Current Assets | <u>12,050</u> | <u>12,356</u> | <u>24,406</u> |
| Noncurrent Assets | | | |
| Due from other funds | - | 9,402 | 9,402 |
| Restricted cash | - | 3,527 | 3,527 |
| Capital assets, net | 16,175 | 1,336,825 | 1,353,000 |
| Total Noncurrent Assets | <u>16,175</u> | <u>1,349,754</u> | <u>1,365,929</u> |
| Total Assets | <u>28,225</u> | <u>1,362,110</u> | <u>1,390,335</u> |
| LIABILITIES AND NET ASSETS | | | |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable and accruals | 849 | 3,248 | 4,097 |
| Current portion of long term debt | - | 3,974 | 3,974 |
| Due to other funds | 9,402 | - | 9,402 |
| Total current liabilities | <u>10,251</u> | <u>7,222</u> | <u>17,473</u> |
| Noncurrent Liabilities | | | |
| Long-term debt, net of current portion | - | 25,081 | 25,081 |
| Customer deposits | - | 5,675 | 5,675 |
| Total Noncurrent liabilities | <u>-</u> | <u>30,756</u> | <u>30,756</u> |
| Total liabilities | <u>10,251</u> | <u>37,978</u> | <u>48,229</u> |
| NET ASSETS | | | |
| Investment in capital assets, Net of related debt | 16,175 | 1,307,770 | 1,323,945 |
| Unrestricted | 1,799 | 16,362 | 18,161 |
| Total Net Assets | <u>17,974</u> | <u>1,324,132</u> | <u>1,342,106</u> |
| Total Liabilities and Net Assets | <u>\$ 28,225</u> | <u>\$ 1,362,110</u> | <u>\$ 1,390,335</u> |

See accountant's compilation report.

VILLAGE OF SALINE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
|--------------------------------------|------------|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|--------------|
| Primary Government | | | | | | | |
| Governmental Activities | | | | | | | |
| General Government | \$ 25,699 | \$ - | \$ - | \$ - | \$ (25,699) | \$ - | \$ (25,699) |
| Public Safety | - | - | - | - | - | - | - |
| Depreciation | 478 | - | - | - | (478) | - | (478) |
| Total Governmental Activities | 26,177 | - | - | - | (26,177) | - | (26,177) |
| Business-Type Activities | | | | | | | |
| Utility Fund | 125,872 | 68,831 | - | - | - | (57,041) | (57,041) |
| Total Business-Type Activities | 125,872 | 68,831 | - | - | - | (57,041) | (57,041) |
| Total Primary Government | \$ 152,049 | \$ 68,831 | \$ - | \$ - | (26,177) | (57,041) | (83,218) |
| General Revenues | | | | | | | |
| Taxes | | | | | 24,159 | - | 24,159 |
| Miscellaneous | | | | | 56 | 24 | 80 |
| Transfers | | | | | - | - | - |
| Total General Revenues and Transfers | | | | | 24,215 | 24 | 24,239 |
| Change in Net Assets | | | | | (1,962) | (57,017) | (58,979) |
| Net Assets, Beginning of Year | | | | | 19,936 | 1,381,149 | 1,357,339 |
| Net Assets, End of Year | | | | | \$ 17,974 | \$ 1,324,132 | \$ 1,342,106 |

See accountant's compilation report.

VILLAGE OF SALINE, LOUISIANA
BALANCE SHEET
GENERAL FUND
JUNE 30, 2008

| ASSETS | | |
|-------------------------------|--|------------------|
| Cash | | \$ 12,050 |
| | | <u>12,050</u> |
| | | <u>12,050</u> |
| | | |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities | | |
| Accounts payable and accruals | | 849 |
| Due to other funds | | <u>9,402</u> |
| | | 10,251 |
| | | 10,251 |
| | | |
| Fund Balances | | |
| Unreserved | | <u>1,799</u> |
| | | 1,799 |
| | | 1,799 |
| | | <u>\$ 12,050</u> |
| | | <u>\$ 12,050</u> |

See accountant's compilation report.

VILLAGE OF SALINE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

Total Fund Balance for Governmental Funds \$ 1,799

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.

16,175

Total Net Assets of Governmental Activities

\$ 17,974

See accountant's compilation report.

VILLAGE OF SALINE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>General Fund</u> | <u>Capital Projects</u> | <u>Total</u> |
|--------------------------------------|---------------------|-----------------------------|---------------------|
| Revenues | | | |
| Taxes, Licenses, and Permits | \$ 24,159 | \$ - | \$ 24,159 |
| Intergovernmental | - | - | - |
| Miscellaneous | 56 | - | 56 |
| Total Revenues | <u>24,215</u> | <u>-</u> | <u>24,215</u> |
| Expenditures | | | |
| General Government | 25,699 | - | 25,699 |
| Public Safety | - | - | - |
| Capital Projects | - | - | - |
| Total Expenditures | <u>25,699</u> | <u>-</u> | <u>25,699</u> |
| Net Change in Fund Balances | (1,484) | - | (1,484) |
| Fund Balances, Beginning of year | <u>3,283</u> | <u>-</u> | <u>3,283</u> |
| Fund Balances, End of year | <u>\$ 1,799</u> | <u>\$ -</u> | <u>\$ 1,799</u> |

See accountant's compilation report.

VILLAGE OF SALINE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Net changes in Fund Balances - Total Government Funds \$ (1,484)

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

Governmental funds report capital outlay 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 (\$478) exceeds capital
outlays (\$-0-) in the current period.

(478)

Changes in Net Assets of Governmental Activities

\$ (1,962)

See accountant's compilation report.

VILLAGE OF SALINE, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
June 30, 2008

| Assets | |
|---|--------------|
| Current Assets | |
| Cash | \$ 8,621 |
| Accounts receivable | 3,735 |
| Total Current Assets | 12,356 |
| Noncurrent Assets | |
| Restricted cash | 3,527 |
| Due from other funds | 9,402 |
| Capital Assets, Net | 1,336,825 |
| Total Noncurrent Assets | 1,349,754 |
| Total Assets | \$ 1,362,110 |
| Liabilities and Fund Balances | |
| Liabilities | |
| Accounts payable and accruals | \$ 3,248 |
| Current portion of long term debt | 3,974 |
| Total Current Liabilities | 7,222 |
| Noncurrent Liabilities | |
| Long term debt, net of current portion | 25,081 |
| Customer deposits | 5,675 |
| Total Noncurrent Liabilities | 30,756 |
| Total Liabilities | 37,978 |
| Net Assets | |
| Investments in capital assets, Net of related debt | 1,307,770 |
| Unrestricted | 16,362 |
| Total Net Assets | 1,324,132 |
| Total Liabilities and Net Assets | \$ 1,362,110 |

See accountant's compilation report.

VILLAGE OF SALINE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

| | |
|-------------------------------|---------------------|
| OPERATING REVENUES | |
| Charges for Services | \$ 68,831 |
| Miscellaneous | 24 |
| Total Operating Revenues | <u>68,855</u> |
| OPERATING EXPENSES | |
| Personal Services | 554 |
| Utilities | 18,786 |
| Repair and maintenance | 18,301 |
| Other supplies and expenses | 44,259 |
| Insurance | 2,984 |
| Depreciation | 40,988 |
| Total Operating Expenses | <u>125,872</u> |
| Change in Net Assets | (57,017) |
| Net Assets, Beginning of Year | <u>1,381,149</u> |
| Net Assets, End of Year | <u>\$ 1,324,132</u> |

See accountants compilation report.

VILLAGE OF SALINE, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
YEAR ENDED JUNE 30, 2008

| | |
|---|--------------------|
| Cash flows from operating activities: | |
| Cash received from customers | \$ 72,648 |
| Cash payments to suppliers and employees | (83,189) |
| Other operating income | 56 |
| Net cash utilized by operating activities | <u>(10,485)</u> |
| Cash flows from financing activities: | |
| Principal paid on bonds payable | (2,560) |
| Capital contributions | - |
| System improvements | - |
| Net cash used by financing activities | <u>(2,560)</u> |
| Net decrease in cash | (13,045) |
| Cash, July 1, 2008 (including \$3,487 in restricted accounts) | <u>25,193</u> |
| Cash, June 30, 2008 (including \$3,527 in restricted accounts) | <u>\$ 12,148</u> |
| Reconciliation of changes in net assets to net cash provided by operating activities: | |
| Changes in net assets before other expenses | \$ (57,017) |
| Adjustments to reconcile net income to net cash provided by operating activities: | |
| Depreciation | 40,988 |
| Changes in assets and liabilities | |
| Decrease in accounts receivable | 3,817 |
| Increase in due from other funds | - |
| Increase in accounts payable | 1,727 |
| Increase in customer deposits | - |
| Net cash utilized by operating activities | <u>\$ (10,485)</u> |

See accountant's compilation report.

VILLAGE OF SALINE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Village of Saline was incorporated on October 5, 1905, under the provisions of the Lawrason Act. The Village operates under a Mayor-Town Council form of government. The Village's major operations include public safety, streets, 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 Saline 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, Village of Saline 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 Village of Saline 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, Page 2, and the Statement of Activities, Page 3) 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 SALINE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2008

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.

Village of Saline reports the following governmental and proprietary funds:

Governmental Funds

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

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 SALINE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2008

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. Village of Saline 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. Village of Saline prepares and adopts a budget each year for its general and utility 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 Town 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 SALINE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2008

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 Town 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 June 30, 2008, \$-0- Business-Type Activities receivables were considered to be uncollectible.

I. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased that have a useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

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, 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 SALINE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

Village of Saline does not compensate its employees for absence from work. 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

Village of Saline levies taxes on real and business personal property located within its boundaries. The Parish Tax Assessor assesses the property values and prepares the Village's property tax roll. The Town bills and collects its own property taxes. Ad valorem taxes are levied and billed to the taxpayer in December, 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 8.15 mills were levied on property with assess valuations totaling 568,860 and were dedicated for general operating purposes. Total taxes levied after adjustments were \$4,637.

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 Town may deposit funds within a fiscal agent bank selected and designated by the Town Council. 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 June 30, 2008, all accounts were fully insured by FDIC insurance.

NOTE 4 ACCOUNTS RECEIVABLE

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

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|----------------------|------------------------------------|-------------------------------------|-----------------|
| Charges for services | - | 3,735 | 3,735 |
| Total | <u>\$ -</u> | <u>\$ 3,735</u> | <u>\$ 3,735</u> |

VILLAGE OF SALINE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2008

NOTE 5 CAPITAL ASSETS

A summary of Village of Saline's capital assets at June 30, 2008 follows:

| | <u>Balance</u> <u>6/30/07</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>6/30/08</u> |
|---|----------------------------------|--------------------|--------------------|----------------------------------|
| Government Activities | | | | |
| Capital Assets, not being depreciated | | | | |
| Land | \$ 4,500 | \$ - | \$ - | \$ 4,500 |
| Total Capital Assets, not being depreciated | 4,500 | - | - | 4,500 |
| Capital Assets, being depreciated | | | | |
| Buildings and other improvements | 15,250 | - | - | 15,250 |
| Less accumulated depreciation | (3,097) | (478) | - | (3,575) |
| Total Buildings & Building Improvements | 12,153 | (478) | - | 11,675 |
| Governmental Activities | | | | |
| Total Capital Assets, net | <u>\$ 16,653</u> | <u>\$ (478)</u> | <u>\$ -</u> | <u>\$ 16,175</u> |
| Business-Type Activities | | | | |
| Capital Assets, being depreciated | | | | |
| Distribution system | 1,785,936 | - | - | 1,785,936 |
| Less accumulated depreciation | (408,123) | (40,988) | - | (449,111) |
| Total Distribution System | 1,377,813 | (40,988) | - | 1,336,825 |
| Business-Type Activities | | | | |
| Total Capital Assets, net | <u>\$ 1,377,813</u> | <u>\$ 41,466</u> | <u>\$ -</u> | <u>\$ 1,336,825</u> |
| Primary Government | | | | |
| Total Capital Assets, net | <u>\$ 1,394,466</u> | <u>\$ (40,988)</u> | <u>\$ -</u> | <u>\$ 1,353,000</u> |

NOTE 6 LONG-TERM DEBT

The following is a summary of debt transactions of Village of Saline for the year ended June 30, 2008:

| | <u>Balance</u> <u>7/1/07</u> | <u>Issuances</u> <u>(Retirements)</u> | <u>Balance</u> <u>6/30/08</u> |
|---------------|---------------------------------|--|----------------------------------|
| Bonds Payable | \$ 31,615 | \$(2,560) | \$ 29,055 |

The Serial Revenue bonds were issued December 14, 1995 and are payable over a twenty year period with interest payments only until January 14, 1997, then due in payments on the 14th of each month thereafter through December 14, 2014. Payments are \$440 per month and the interest rate is 4.5%.

VILLAGE OF SALINE, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GENERAL FUND
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

| | <u>Original</u> | <u>Amended *</u> | <u>Actual</u> | <u>Variance</u> |
|---|---------------------|---------------------|---------------------|-----------------------|
| Revenues | | | | |
| Taxes, Licenses, and Permits | 28,507 | 28,507 | 24,159 | (4,348) |
| Intergovernmental | - | - | - | - |
| Miscellaneous | 220 | 220 | 56 | (747) |
| Total Revenues | <u>28,727</u> | <u>28,727</u> | <u>24,215</u> | <u>(4,512)</u> |
| Expenditures | | | | |
| General Government | 21,757 | 21,757 | 25,699 | (3,942) |
| Public Safety | 5,460 | 5,460 | - | 5,460 |
| Capital Projects | - | - | - | - |
| Total Expenditures | <u>27,217</u> | <u>27,217</u> | <u>25,699</u> | <u>1,518</u> |
| Net Change in Fund Balances | 500 | 1,510 | (1,484) | (2,516) |
| Fund Balances, Beginning of year | <u>3,283</u> | <u>3,283</u> | <u>3,283</u> | <u>-</u> |
| Fund Balances, End of year | <u><u>3,783</u></u> | <u><u>4,793</u></u> | <u><u>1,799</u></u> | <u><u>(2,516)</u></u> |

* The Village did not amend the budget for the year ended June 30, 2008.

VILLAGE OF SALINE, LOUISIANA

Schedule of Compensation Paid -
Mayor and Aldermen
For the Year Ended June 30, 2008

The Village did not provide the information due to inadequate accounting records.

VILLAGE OF SALINE, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2008

Finding # 2008-1:

Condition:

The segregation of duties is inadequate to provide effective internal control.

Cause:

The condition is due to space and economic limitations.

Recommendation:

No action is recommended.

Management's Response and Corrective Action Plan:

We agree with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.

Finding #2008-2

Condition:

The Village did not file its annual financial statements with the Louisiana Legislative Auditor within the time frame required by law.

Cause:

We had difficulty obtaining Town records from the former mayor.

Recommendation:

I recommend the Village comply with State law.

Management's Response and Corrective Action Plan:

We agree with the finding. We will file our financial statements within the time frame required by State Law.

Finding #2008-3

Condition:

The accounting records were not maintained in accordance with generally accepted accounting principles. Records were not posted in a timely manner, bank reconciliations were not prepared on a monthly basis and reconciled to the general ledger. Accurate accounts were not maintained for customer water receivable balances or customer deposits.

Cause:

We had difficulty obtaining the Town's records from the former mayor.

VILLAGE OF SALINE, LOUISIANA

Schedule of Findings

For the Year Ended June 30, 2008

Finding # 2008-3 (Continued)

Recommendation: I recommend the Town maintain accounting records in accordance with generally accepted accounting principles, that records be posted in a timely manner, bank reconciliations be prepared and reconciled to the general ledger, and accurate accounts be maintained for customer water receivable balances and customer deposits.

Management's Corrective Action Plan:

We will maintain accounting records in accordance with generally accepted accounting principles. We will post our records in a timely manner, prepare bank reconciliations and reconcile them to the general ledger in a timely manner. We will maintain accurate accounts for customer water receivable balances and for customer deposits.

Finding #2008-4

Condition:

The Village is not in compliance with the State Budget Law. Revenues failed to meet budgeted amounts by more than 5%; the Village did not amend the budget.

Cause:

Oversight.

Recommendation:

I recommend the Village comply with State law.

Management's Response and Corrective Action Plan:

We agree with the finding. We will comply with the State Budget law in the future.

Finding #2008-5

Condition:

The Village did not pay payroll taxes or file Forms 941 as required by the Internal Revenue Service. The Village did not file Forms W-2 and 1099 as required by the Internal Revenue Service.

Cause:

We had difficulty in obtaining the Town's records from the former mayor.

Recommendation:

I recommend the Village pay payroll taxes on time and file Forms 941, W-2 and 1099 as required by the Internal Revenue Service.

Management's Response and Corrective Action Plan:

We agree with the finding. We will comply with Internal Revenue Service requirements.

VILLAGE OF SALINE, LOUISIANA

Corrective Action Taken on Prior Year Findings

For the Year Ended June 30, 2008

Finding # 2007-1:

Condition:

The segregation of duties is inadequate to provide effective internal control.

Status:

Unresolved.

Finding #2007-2

Condition:

The Village did not file its annual financial statements with the Louisiana Legislative Auditor within the time frame required by law.

Status:

Unresolved.

Finding #2007-3

Condition:

The accounting records were inadequate to obtain sufficient competent evidential matter regarding the Village's assets, liabilities, revenues and expenses.

Status:

Unresolved.

Finding #2007-4

Condition:

The Village is not in compliance with the State Budget Law. Revenues failed to meet budgeted amounts by more than 5%; the Village did not amend the budget.

Status:

Unresolved.

Finding #2007-5

Condition:

The Village did not pay payroll taxes for the last three quarters of the year within the time frame required by the Internal Revenue Service.

Status:

Unresolved.