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**TOWN OF URANIA
LOUISIANA**

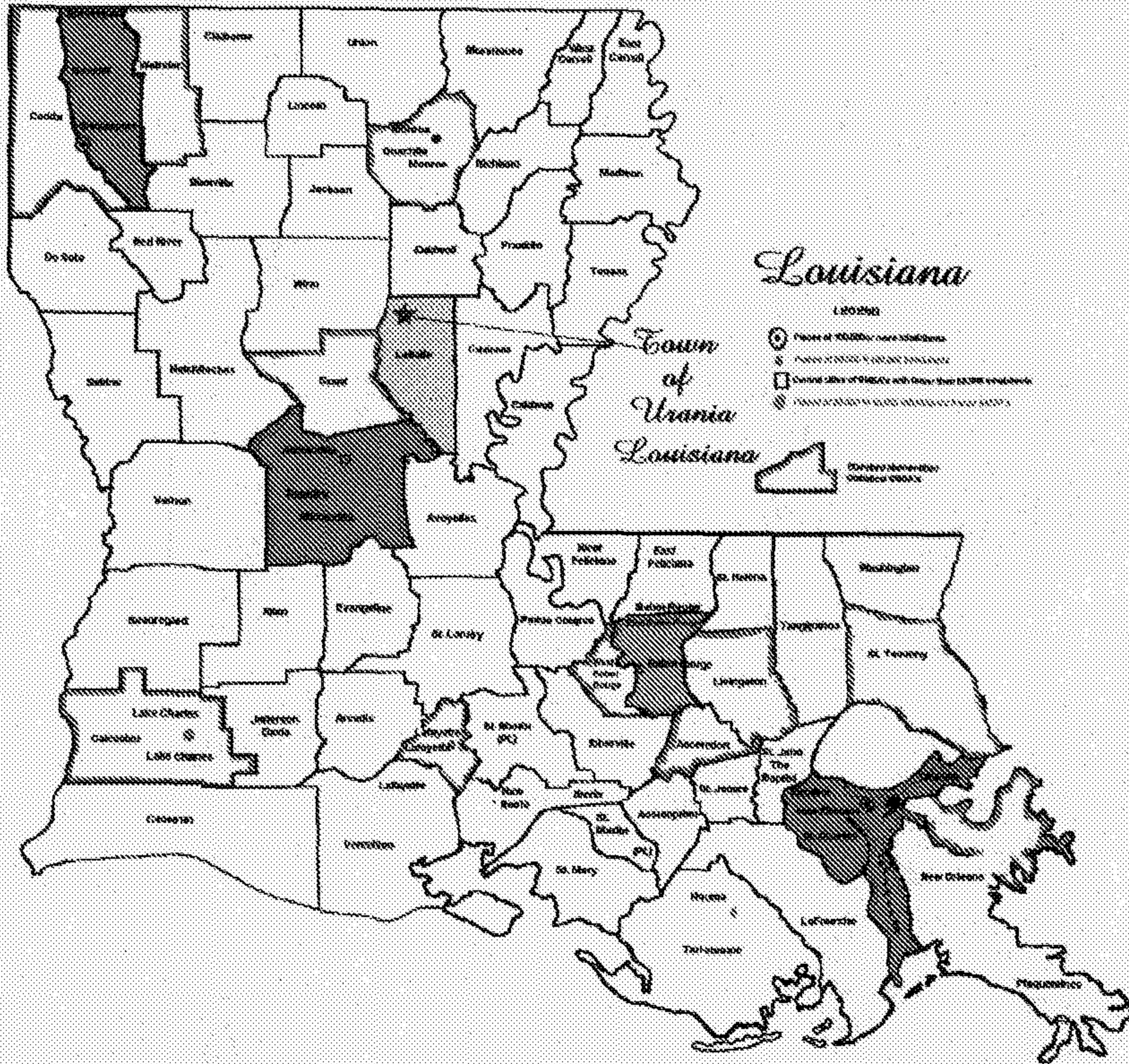
*General Purpose Financial Statements Combining
And Individual Fund And Account Group
Statements And Schedules And Supplemental Data*

JUNE 30, 2003

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 11/5/03

TOWN OF URANIA
URANIA, LOUISIANA



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

Town of Urania, Louisiana

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Town of Urania, Louisiana

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INDEPENDENT AUDITOR'S REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS

The Honorable Terri Corley, Mayor
and Members of the Town
Board of Aldermen
Urania, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Urania, Louisiana, as of and for the year ended June 30, 2003 as listed in the table of contents. These general purpose financial statements are the responsibility of the Town'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 generally accepted auditing standards in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 Urania, Louisiana, as of June 30, 2003 and the results of its operations and the cash flows of its proprietary fund for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 3, 2003, on my consideration of Town of Urania, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That 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.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, individual account group financial statements and schedules, supplemental schedules and graphs are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Urania, Louisiana. Such information, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in my opinion, the information is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements of the Town of Urania, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

September 3, 2003

Jena, Louisiana

John R. Vercher

JOHN R. VERCHER PC

Certified Public Accountant

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

The Honorable Terri Corley, Mayor
and Members of the Town
Board of Aldermen
Urania, Louisiana

I have audited the general purpose financial statements of the Town of Urania, Louisiana, as of and for the year ended June 30, 2003 and have issued my report thereon dated September 3, 2003. I conducted my audit in accordance with generally accepted auditing standards 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 of America.

Compliance

As part of obtaining reasonable assurance about whether Town of Urania, 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, except as follows and as discussed in the "Schedule of Findings and Questioned Costs":

- 2003-C-1 Budget overspent by more than 5%

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Town of Urania, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the 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 risk that misstatements in amounts that would be material in relation 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 noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Town of Urania's Management and Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.

John R. Vercher

September 3, 2003
Jena, Louisiana

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

*Town of Urania, Louisiana
 Combined Balance Sheet
 All Fund Types and Account Group
 June 30, 2003*

	Governmental Fund Type		
	General Fund	Debt Service	Capital Projects
ASSETS			
Cash	\$ 8,899	\$ 11,105	\$ -0-
Investments	24,532	-0-	-0-
Receivables (Net)	12,353	-0-	-0-
Due From Other Funds	-0-	-0-	-0-
Restricted Assets			
Cash	-0-	-0-	-0-
Investments At Cost	-0-	-0-	-0-
Plant & Equipment	-0-	-0-	-0-
Construction In Progress	-0-	-0-	-0-
Accumulated Depreciation	-0-	-0-	-0-
Amount Available in Debt Service	-0-	-0-	-0-
Amount To Be Provided For Ret. Of			
General Long-Term Debt	-0-	-0-	-0-
General Fixed Assets (Note 5)	-0-	-0-	-0-
TOTAL ASSETS	\$ 45,784	\$ 11,105	\$ -0-
LIABILITIES & FUND EQUITY			
LIABILITIES			
Accounts Payable	\$ 8,061	\$ -0-	\$ -0-
Due To Other Funds	-0-	-0-	-0-
Payable From Restricted Assets:			
Accrued Liabilities	-0-	-0-	-0-
Current Bonds Payable	-0-	-0-	-0-
Customer Deposits	-0-	-0-	-0-
General Obligation Bonds Payable	-0-	-0-	-0-
Revenue Bonds Payable	-0-	-0-	-0-
TOTAL LIABILITIES	\$ 8,061	\$ -0-	\$ -0-
FUND EQUITY			
Contributed Capital	\$ -0-	\$ -0-	\$ -0-
Investments in General Fixed Assets	-0-	-0-	-0-
TOTAL FUND EQUITY	\$ -0-	\$ -0-	\$ -0-
RETAINED EARNINGS			
Reserved For Bond Retirement	\$ -0-	\$ -0-	\$ -0-
Reserved For Bond Contingency	-0-	-0-	-0-
Unreserved (Deficit)	-0-	-0-	-0-
Fund Balances:			
Reserved For Debt Service	-0-	11,105	-0-
Unreserved - Undesignated	37,723	-0-	-0-
TOTAL RETAINED EARNINGS/ FUND BALANCE	\$ 37,723	\$ 11,105	\$ -0-
TOTAL FUND EQUITY	\$ 37,723	\$ 11,105	\$ -0-
TOTAL LIABILITIES & FUND EQUITY	\$ 45,784	\$ 11,105	\$ -0-

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
		Enterprise Fund	Agency Fund	
\$ 32,842	\$ 2,352	\$ -0-	\$ -0-	\$ 55,198
50,339	-0-	-0-	-0-	74,871
14,547	-0-	-0-	-0-	26,900
2,352	-0-	-0-	-0-	2,352
79,230	-0-	-0-	-0-	79,230
21,275	-0-	-0-	-0-	21,275
2,973,274	-0-	-0-	-0-	2,973,274
648,474	-0-	-0-	-0-	648,474
(863,956)	-0-	-0-	-0-	(863,956)
-0-	-0-	11,105	-0-	11,105
-0-	-0-	36,341	-0-	36,341
-0-	-0-	-0-	202,238	202,238
<u>\$ 2,958,377</u>	<u>\$ 2,352</u>	<u>\$ 47,446</u>	<u>\$ 202,238</u>	<u>\$ 3,267,302</u>
\$ 6,894	\$ -0-	\$ -0-	\$ -0-	\$ 14,955
-0-	2,352	-0-	-0-	2,352
17,172	-0-	-0-	-0-	17,172
17,528	-0-	-0-	-0-	17,528
20,104	-0-	-0-	-0-	20,104
-0-	-0-	47,446	-0-	47,446
577,679	-0-	-0-	-0-	577,679
<u>\$ 639,377</u>	<u>\$ 2,352</u>	<u>\$ 47,446</u>	<u>\$ -0-</u>	<u>\$ 697,236</u>
\$ 2,329,170	\$ -0-	\$ -0-	\$ -0-	\$ 2,329,170
-0-	-0-	-0-	202,238	202,238
<u>\$ 2,329,170</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 202,238</u>	<u>\$ 2,531,408</u>
\$ 34,699	\$ -0-	\$ -0-	\$ -0-	\$ 34,699
25,275	-0-	-0-	-0-	25,275
(70,144)	-0-	-0-	-0-	(70,144)
-0-	-0-	-0-	-0-	11,105
-0-	-0-	-0-	-0-	37,723
<u>\$ (10,170)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 38,658</u>
\$ 2,319,000	\$ -0-	\$ -0-	\$ 202,238	\$ 2,570,066
<u>\$ 2,958,377</u>	<u>\$ 2,352</u>	<u>\$ 47,446</u>	<u>\$ 202,238</u>	<u>\$ 3,267,302</u>

The accompanying notes are an integral part of this statement.

*Town of Urania, Louisiana
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances
 All Governmental Types
 Year Ended June 30, 2003*

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
Revenues:				
Taxes & License	\$ 33,124	\$ 4,871	\$ -0-	\$ 37,995
Intergovernmental	40,596	-0-	622,258	662,854
Charges For Services	20,061	-0-	-0-	20,061
Fines	83,812	-0-	-0-	83,812
Penalties	3,079	-0-	-0-	3,079
Miscellaneous Revenue	8,952	-0-	-0-	8,952
Interest	677	95	-0-	772
Total Revenue	<u>\$ 190,301</u>	<u>\$ 4,966</u>	<u>\$ 622,258</u>	<u>\$ 817,525</u>
Expenditures:				
Current				
General Government	\$ 170,764	\$ -0-	\$ -0-	\$ 170,764
Public Safety	44,044	-0-	-0-	44,044
Recreation	365	-0-	-0-	365
Fire Protection	32,880	-0-	-0-	32,880
Street and Sanitation	3,168	-0-	-0-	3,168
Principal Retirement & Interest	-0-	3,900	-0-	3,900
Public Works	-0-	-0-	515,458	515,458
Administration	-0-	-0-	37,008	37,008
Economic Development	-0-	-0-	69,792	69,792
Total Expenditures	<u>\$ 251,221</u>	<u>\$ 3,900</u>	<u>\$ 622,258</u>	<u>\$ 877,379</u>
Excess (Deficit) Of Revenues Over Expenditures Before Other Financing Sources (Uses)	\$ (60,920)	\$ 1,066	\$ -0-	\$ (59,854)
Other Financing Sources (Uses): Operating Transfers In (Out)	<u>69,213</u>	<u>-0-</u>	<u>-0-</u>	<u>69,213</u>
Excess (Deficit) Of Revenues & Other Sources Over Expenditures & Other	\$ 8,293	\$ 1,066	\$ -0-	\$ 9,359
Fund Balances Beginning Of Year	<u>\$ 29,430</u>	<u>10,039</u>	<u>-0-</u>	<u>39,469</u>
Fund Balances End Of Year	<u>\$ 37,723</u>	<u>\$ 11,105</u>	<u>\$ -0-</u>	<u>\$ 48,828</u>

The accompanying notes are an integral part of this statement.

Town of Urania, Louisiana
Governmental Funds Types
Combined Statement of Revenues and Expenditures
and Changes in Fund Balance
Budget vs Actual (GAAP Basis)
Year Ended June 30, 2003

	General Fund		
	Budget	Actual	Variance
REVENUES			
Taxes & License	\$ 27,800	\$ 33,124	\$ 5,324
Intergovernmental	20,627	40,596	19,969
Charges For Service	18,803	20,061	1,258
Fines	85,410	83,812	(1,598)
Penalties	2,627	3,079	452
Miscellaneous	8,758	8,952	194
Interest	-0-	677	677
TOTAL REVENUES	\$ 164,025	\$ 190,301	\$ 26,276
EXPENDITURES			
Current -			
General Government	\$ 164,839	\$ 170,764	\$ (5,925)
Public Safety	13,557	44,044	(30,487)
Recreation	442	365	77
Fire Protection	39,194	32,880	6,314
Street and Sanitation	9,991	3,168	6,823
Administration	-0-	-0-	-0-
Economic Development	-0-	-0-	-0-
Public Works	-0-	-0-	-0-
TOTAL EXPENDITURES	\$ 228,023	\$ 251,221	\$ (23,198)
Deficiency Of Revenues Over Expenditures Before Other Financing Sources (Uses)	(63,998)	(60,920)	3,078
Other Financing Sources:			
Operating Transfers In (Out)	\$ 30,627	\$ 69,213	\$ 38,586
Excess Of Revenues and Other Sources Over Expenditures	\$ (33,371)	\$ 8,293	\$ 41,664
Fund Balance Beginning Of Year	33,371	29,430	(3,941)
Fund Balance End Of Year	\$ -0-	\$ 37,723	\$ 37,723

Capital Projects		
Budget	Actual	Variance
\$ -0-	\$ -0-	\$ -0-
622,258	622,258	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
<u>622,258</u>	<u>622,258</u>	<u>-0-</u>
\$ -0-	\$ -0-	\$ -0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
37,008	37,008	-0-
69,792	69,792	-0-
515,458	515,458	-0-
<u>622,258</u>	<u>622,258</u>	<u>-0-</u>
-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
\$ -0-	\$ -0-	\$ -0-
-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The notes to the financial statements are an integral part of this statement.

Town of Urania, Louisiana
Combined Statement of Revenues, Expenses and Changes in Retained Earnings
All Proprietary Fund Types
Year Ended June 30, 2003

	Enterprise
Operating Revenues:	
Water Department	\$ 89,814
Sewer Department	112,553
Total Operating Revenues	\$ 202,367
Operating Expenses:	
Water Department	
Salaries and Related Costs	\$ 25,939
Material and Supplies	2,386
Depreciation	38,333
Repairs and Maintenance	2,500
Utilities	4,405
Insurance	2,189
Miscellaneous	343
Professional Services	139
Total Water Department	\$ 76,234
Sewer Department	
Salaries and Related Costs	\$ 32,326
Material and Supplies	1,980
Depreciation	36,877
Repairs and Maintenance	16,484
Utilities	18,596
Sewer Analysis	2,935
Insurance	13,389
Miscellaneous	415
Professional Fees	2,823
NW LaSalle Sewer District	5,600
Total Sewer Department	\$ 131,425
Total Operating Expenses	\$ 207,659
Operating Income (Loss)	(5,292)
Non-Operating Revenue (Expenses):	
Interest Income - Water Department	\$ 3,296
Interest Income - Sewer Department	745
Interest Expense - Water Department	(29,113)
Interest Expense - Sewer Department	(5,961)
Sewer Grant	40,000
Total Non-Operating Revenues (Expenses)	\$ 8,967
Income (Loss) Before Operating Transfers	3,675
Transfers (To) From Other Fund	\$ (69,213)
Net Income (Loss)	\$ (65,538)
Retained Earnings (Deficit), Beginning	\$ 55,368
Retained Earnings (Deficit), Ending	\$ (10,170)
Contributed Capital - Beginning	\$ 1,680,696
Additions From Capital Projects	648,474
Contributed Capital - Ending	\$ 2,329,170

The accompanying notes are an integral part of this statement.

*Town of Urania, Louisiana
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 Year Ended June 30, 2003*

	Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss)	\$ (65,538)
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	75,210
(Increase) Decrease In:	
Trade Account Receivable	6,353
Allowance For Bad Debts	277
Increase (Decrease) in:	
Trade Accounts Payable	(2,538)
Accrued Interest	(498)

NET CASH PROVIDED (USED) BY OPEARTING ACTIVITIES	\$ 13,266
 CASH FLOWS FROM INVESTING ACTIVITIES	
Investments	\$ 82,820
Customer Deposits	516
Grants	622,528

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 705,864
 CASH FLOWS FROM FINANCING ACTIVITIES	
Debt Reduction:	
Revenue Bonds	\$ (17,528)
Notes Payable	(4,641)
Fixed Assets	(58,461)
Restricted Assets	7,154
Construction In Progress	(622,528)

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	\$ (696,004)
 NET INCREASE (DECREASE) IN CASH	 \$ 23,126
 CASH AT BEGINNING OF YEAR	 9,716
 CASH AT END OF YEAR	 \$ 32,842
 SUPPLEMENTAL DISCLOSURES	
Interest Paid	\$ 36,796

The accompanying notes are an integral part of this statement.

Town of Urania, Louisiana
Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies of the Town of Urania conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

This report includes all funds and the account group which are controlled by or dependent on the Town's executive and legislative branches (the Mayor and Board of Alderman). Control by or dependence on the Town was determined on the basis of adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

The Town 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.

B. Fund Accounting

The accounts of the Town of Urania are organized on the basis of funds and on account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund category as follows:

GOVERNMENTAL FUND TYPES

General Fund

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

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds).

Debt Service Funds

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

Town of Urania, Louisiana
Notes to Financial Statements (Cont.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

B. Fund Accounting - (Cont.)

GOVERNMENTAL FUND TYPES - (Cont.)

Special Revenue Funds

The Special Revenue Fund is used to account for special funds collected and dedicated for a specific purpose or activity.

Fiduciary Fund Types

Fiduciary Fund types are used to account for assets held by the Town of Urania as an agent for other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

PROPRIETARY FUND TYPES

Enterprise Fund

Enterprise funds are used to account for operations that (a) are financed and 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 revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

C. Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are valued at cost and are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized.

All fixed assets of the Proprietary Fund are valued at historical cost.

This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly they are said to present a summary of sources and uses of "available spendable resources" during a period.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group.

The account groups are not funds. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Town of Urania, Louisiana
Notes to Financial Statements (Cont.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

C. Fixed Assets and Long-Term Liabilities - (Cont.)

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity should be included on their balance sheets.

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

Water and Sewer System	40 Years
Equipment	3-10 Years

Records concerning general fixed assets were not maintained by the Town, therefore a statement of general fixed assets is not presented.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statement. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are revenue at that time. Anticipated refunds of such taxes are as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

E. Budgets and Budgetary Accounting

The Town adopts its budget annually on the modified accrual (GAAP) basis of accounting. Budgetary comparisons are included in the accompanying financial statements. All budgetary appropriations lapse at the end of each fiscal year. Budgetary control is exercised at the fund level rather than individual budgetary line item or functional area. The general fund budget was amended during the year. The capital projects budget is established as a project wide budget which may extend more than one year. Therefore, a budget comparison for capital projects is not presented.

Town of Urania, Louisiana
Notes to Financial Statements (Cont.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

F. Cash And Investments - (Certificate Of Deposits In Excess Of 90 Days)

Deposits

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

- *Category 1* - Insured or collateralized with securities held by the District 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.

	Bank Balance 6/30/2003
Sabine Bank	\$ 243,510
Total	\$ 243,510
Secured as Follows:	
FDIC (<i>Category - 1</i>)	\$ 100,000
Sabine Parish School District # 62-A (<i>Category 2</i>)	266,020
St. John Bay PH (<i>Category 2</i>)	180,067
Total	\$ 546,087

G. Compensated Absences and Retirement Plans

The Town does not compensate unused vacation and sick leave. Employees of the Town are covered under the Social Security System.

H. Accounts Receivable and Allowance for Bad Debts

Uncollectible amounts due for customer's utility receivables are recognized as bad debts based on 5% of total receivables. Below is a summary of accounts receivable and allowance for bad debts by fund:

General Fund

Accounts Receivable - Franchise Tax	\$ 2,654
Accounts Receivable - Fire and Garbage	1,868
Accounts Receivable - Intergovernmental	7,831
Total Accounts Receivable - General Fund	\$ 12,353

Allowance for doubtful accounts considered immaterial.

Town of Urania, Louisiana
Notes to Financial Statements (Cont.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT.)

H. Accounts Receivable and Allowance for Bad Debts - (Cont.)

Proprietary Fund

Accounts Receivable - Water (Allowance for Doubtful Accounts - \$358)	\$ 6,797
Accounts Receivable - Sewer (Allowance for Doubtful Accounts - \$408)	<u>7,750</u>
Total Accounts Receivable - Proprietary Fund	<u>\$ 14,547</u>

I. Reserves

The Town records reserves to indicate that a portion of its retained earnings/fund balances are legally restricted for a specific future use. The following is a list of such reserves and a description of each:

Reserved for Depreciation and Contingencies

This amount represents monies reserved to make emergency repairs to the water and sewer systems.

Reserved - Revenue Bonds

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

Reserved for Debt Service

Certain assets have been reserved in the Debt Service Fund for future payment of long-term liabilities of the governmental funds.

J. Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented 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.

2. AD VALOREM TAXES

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the "billed" year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of LaSalle Parish.

Town of Urania, Louisiana
Notes to Financial Statements (Cont.)

2. AD VALOREM TAXES - (Cont.)

For the year ended June 30, 2003, taxes of 8.84 mills were levied on property with assessed valuations totaling \$1,402,921 and were dedicated as follows:

General Corporate Purposes	5.59 mills
Debt Service	3.25 mills

Total taxes levied were \$12,919 of which \$8,169 was due to the general fund and \$4,750 was due to the debt service fund.

3. DEPRECIABLE FIXED ASSETS

The water and sewer system is depreciated over a 40 year period using the straight-line method. Other assets are depreciated from 3 to 10 years using the straight-line method. Below is a summary of water and sewer enterprise fund plant, property, and equipment:

	Cost	Accumulated Depreciation	Current Depreciation
Water Plant and Equipment	\$ 1,520,217	\$ 372,996	\$ 37,967
Sewer Plant and Equipment	1,453,058	490,594	36,877
Construction in Progress	648,474	-0-	-0-
Total	\$ 3,621,749	\$ 863,590	\$ 74,844

4. CHANGES IN LONG-TERM DEBT

The following is a summary of notes payable of the Town of Urania for the year ended June 30, 2003:

	General Long-Term Debt			Notes Payable		Total
	New Holland Tractor	Vermeer Chipper	Police Car	New Holland Tractor	Vermeer Chipper	
Balance 6/30/2002	\$ 1,582	\$ 738	\$ 17,942	\$ 3,165	\$ 1,476	\$ 24,903
Principal Retirement	(1,582)	(738)	(6,496)	(3,165)	(1,476)	(13,457)
Balance 6/30/2003	\$ -0-	\$ -0-	\$ 11,446	\$ -0-	\$ -0-	\$ 11,446

The following is a summary of bond transactions of the Town of Urania for the year ended June 30, 2003:

	General Obligation		Revenue		Total
	Public Improvement (Sewer)	Public Improvement District # 1 (Sewer)	Water Utility	Sewer	
Bonds Payable 6/30/2002	\$ 19,000	\$ 19,000	\$ 489,734	\$ 123,000	\$ 650,734
Principal Retirement	(1,000)	(1,000)	(12,527)	(5,000)	(19,527)
Bonds Payable 6/30/2003	\$ 18,000	\$ 18,000	\$ 477,207	\$ 118,000	\$ 631,207

Town of Urania, Louisiana
Notes to Financial Statements (Cont.)

4. CHANGES IN LONG-TERM DEBT - (CONT.)

Notes and bonds payable at June 30, 2003 are comprised of the following individual issues:

General Obligation Bonds Administer by the Debt Service Fund:

Two 1977 issues of \$42,935 each serial bonds due in annual installments of \$ 1,000, increasing to \$ 3,000 annually at maturity at September 28, 2016; interest at 5%	\$ 36,000
---	-----------

Notes Payable

Purchase a police car for \$20,481, payable in 36 equal payments of \$641.80 beginning March 02, 2002, interest at 8%.	11,446
--	--------

Revenue Bonds Administered by the Water and Sewer Enterprise Fund:

\$185,000 water serial bonds due annually in installments of \$2,935, increasing in increments of \$1,000, to \$10,000 annually at maturity at March 1, 2012; interest at 5%	76,000
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\$197,400 sewer serial bonds due annually in installments of \$2,935, increasing in increments of \$1,000 to \$12,935 annually at maturity at September 28, 2016; Interest at 5%	118,000
--	---------

\$454,000 water serial bonds issued November 14, 1990, 40 year maturity, \$44,000 @ 6% with annual installments of \$2,944 and \$410,000 @ 6.25% with annual installments of \$ 27,855	477,207
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Total	<u>\$ 718,653</u>
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Provision of Revenue Bond Indenture

Under the terms of the bond indenture on outstanding utility bonds, all income and revenues of every nature are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

- a) On or before the 20th of each month, there will be set aside into a fund called the "Revenue Bond and Interest Sinking Fund" an amount constituting one-twelfth of the next maturing installment of principal and interest. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

- b) On or before the 20th of each month, there shall be set aside into a "Bond Reserve Fund" for the sewer bonds, and amount equal to 5% of the amount not be paid into the sinking fund until \$13,200 has been accumulated. For the water bonds, a sum of 5% of the monthly payment being; made into the sinking fund must be deposited monthly into the "Reserve Fund" until it equals the highest combined annual debt service in any future year on all outstanding bonds. Such amounts may be used only for the payment of maturing bonds in the "Bond and Interest Sinking Fund" and as to which there would otherwise be default.

- c) Funds will also be set aside into a "Depreciation and Contingency Fund" at the rate of \$68 per month for the sewer bonds and \$588 per month for the water bonds. Money in this fund may be used for the making of extraordinary repairs as replacements to the systems which are necessary to keep the systems in operating condition and is not available for maintenance and operating expenses.

Town of Urania, Louisiana
Notes to Financial Statements (Cont.)

4. CHANGES IN LONG-TERM DEBT - (CONT.)

Provisions of General Obligation Bond Indenture

These bonds constitute a general obligation of the Town and the full faith and credit of the Town is pledged for the repayment of these bonds. The bonds are secured by a special tax to be imposed and collected annually in excess of all other taxes on all the property subject to taxation within the territorial limits of the Town sufficient to pay the principal and interest.

Annual Requirements to Amortize all Debts

The annual requirements to amortize all debt outstanding as of June 30, 2003, including interest payments of \$306,263 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>Police Car</u>	<u>Total</u>
2004	\$ 3,700	\$ 63,999	\$ 7,702	\$ 75,401
2005 – 2009	17,000	319,095	5,134	341,229
2010 – 2014	18,400	278,295	-0-	296,695
2015 – 2019	8,600	179,795	-0-	188,395
2020 – 2024	-0-	123,196	-0-	123,196
Total	\$ 47,700	\$ 964,380	\$ 12,836	\$ 1,024,916

5. CHANGES IN GENERAL FIXED ASSETS

Balance June 30, 2002	\$ 166,691
Additions	35,547
Deletions	-0-
Balance June 30, 2003	<u>\$ 202,238</u>

6. ELECTED OFFICIALS SALARIES

<u>Name</u>	<u>Title</u>	<u>Annualized Salary</u>	<u>Annual Expense</u>	<u>Date Of Service</u>
Terri Corley	Mayor	\$ 7,200	\$ 1,440	07/01/2002 – 06/30/2003
Gloria J. Sanders	Alderman	240	-0-	07/01/2002 – 06/30/2003
Jessie Powers, Jr.	Alderman	240	-0-	07/01/2002 – 06/30/2003
Carl Vickers	Alderman	240	-0-	07/01/2002 – 06/30/2002
Pat McDougald	Alderman	240	-0-	07/01/2002 – 06/30/2002
Stacie Strain	Alderman	240	-0-	07/01/2002 – 06/30/2002
Mickey Lofton	Chief of Police	15,000	-0-	07/01/2002 – 06/30/2002

7. DUE FROM (TO) OTHER FUNDS

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Enterprise Fund	\$ 2,352	\$ -0-
Agency Fund	-0-	2,352
Total	\$ 2,352	\$ 2,352

Town of Urania, Louisiana
Notes to Financial Statements (Cont.)

8. USE OF ESTIMATES

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

9. ENCUMBRANCES

The Town does not utilize encumbrance accounting.

10. LITIGATION

The Town had no outstanding judgments or pending litigation as of June 30, 2003.

11. RETIREMENT PLANS

The system does not offer its employees a retirement plan. All employees are in the social security system.

12. SEWER FUND RETAINED EARNINGS DEFICIT

The deficit in sewer fund retained earnings of \$(10,170) is due primarily to depreciation taken on that portion of the sewer plant construction with grant and other contributed funds.

13. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The Town overspent its general fund budget by \$23,198 or 10.2% during the year.

***FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS***

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Town of Urania, Louisiana
General Fund
Balance Sheet
June 30, 2003

ASSETS

Cash	\$ 8,899
Investments	24,532
Receivables	<u>12,353</u>
TOTAL ASSETS	<u>\$ 45,784</u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts Payable	<u>\$ 8,061</u>
Total Liabilities	<u>\$ 8,061</u>

Fund Balance

Unreserved - Undesignated	<u>\$ 37,723</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 45,784</u>

The notes to the financial statements are an integral part of this statement.

Town of Urania
General Fund
Statement of Revenues and Expenditures
and Changes in Fund Balances
Budget vs Actual (GAAP Basis)
Year Ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes & License	\$ 27,800	\$ 33,124	\$ 5,324
Intergovernmental	20,627	40,596	19,969
Charges For Service	18,803	20,061	1,258
Fines	85,410	83,812	(1,598)
Penalties	2,627	3,079	452
Miscellaneous	8,758	8,952	194
Interest	-0-	677	677
TOTAL REVENUES	<u>\$ 164,025</u>	<u>\$ 190,301</u>	<u>\$ 26,276</u>
EXPENDITURES			
Current -			
General Government	\$ 164,839	\$ 170,764	\$ (5,925)
Public Safety	13,557	44,044	(30,487)
Recreation	442	365	77
Fire Protection	39,194	32,880	6,314
Street and Sanitation	9,991	3,168	6,823
Administration	-0-	-0-	-0-
Economic Development	-0-	-0-	-0-
Public Works	-0-	-0-	-0-
TOTAL EXPENDITURES	<u>\$ 228,023</u>	<u>\$ 251,221</u>	<u>\$ (23,198)</u>
Deficiency Of Revenues Over Expenditures Before Other Financing Sources (Uses)	(63,998)	(60,920)	3,078
Other Financing Sources:			
Operating Transfers In (Out)	\$ 30,627	\$ 69,213	\$ 38,586
Excess Of Revenues and Other Sources Over Expenditures	\$ (33,371)	\$ 8,293	\$ 41,664
Fund Balance Beginning Of Year	<u>33,371</u>	<u>29,430</u>	<u>(3,941)</u>
Fund Balance End Of Year	<u>\$ -0-</u>	<u>\$ 37,723</u>	<u>\$ 37,723</u>

The accompanying notes are an integral part of this statement.

*Town of Urania
General Fund
Schedule of Revenues and Expenditures
Budget vs Actual (GAAP Basis)
Year Ended June 30, 2003*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
<i>Taxes & License</i>			
Franchise Tax	\$ 10,329	\$ 11,323	\$ 994
General Ad Valorem	7,999	8,117	118
Licenses & Permits	9,472	13,684	4,212
<i>Intergovernmental Revenue</i>			
Tobacco & Beer Tax	489	554	65
Fire Rebates & Grant	20,138	40,043	19,905
<i>Charges For Services</i>			
Garbage Collection and Fire Protection	18,803	20,061	1,258
<i>Fines</i>			
Traffic Citations	85,410	83,812	(1,598)
<i>Penalties</i>			
	2,627	3,079	452
<i>Miscellaneous</i>			
Mowing	2,436	2,549	113
Miscellaneous	6,322	4,550	(1,772)
Interest	-0-	677	677
Donations	-0-	1,852	1,852
TOTAL REVENUES	<u>\$ 164,025</u>	<u>\$ 190,301</u>	<u>\$ 26,276</u>
EXPENDITURES			
<i>General Government</i>			
Salaries and Related Benefits	\$ 73,141	\$ 73,104	\$ 37
Travel & Auto Expense	-0-	1,177	(1,177)
Other Salaries	3,438	5,546	(2,108)
Advertising	800	1,278	(478)
Insurance	4,150	7,228	(3,078)
Miscellaneous	4,938	2,799	2,139
Office Expense	15,450	10,966	4,484
Professional Fees	8,100	6,837	1,263
Postage & Freight	1,100	943	157
Repairs, Maintenance and Supplies	30,602	36,068	(5,466)
Utilities	20,520	19,867	653
Debt Service	2,600	4,951	(2,351)
<i>Public Safety</i>	13,557	44,044	(30,487)
<i>Recreation</i>	442	365	77
<i>Fire</i>			
Utilities	2,694	2,623	71
Repair, Maintenance and Supplies	6,500	184	6,316
Capital Outlay	30,000	30,073	(73)
<i>Street and Sanitation</i>			
Truck & Tractor Expense	9,991	1,584	8,407
Miscellaneous	-0-	1,584	(1,584)
TOTAL EXPENDITURES	<u>\$ 228,023</u>	<u>\$ 251,221</u>	<u>\$ (23,198)</u>

The accompanying notes are an integral part of this statement.

DEBT SERVICE FUNDS

To account for the accumulation of resources for, and the payment of, general long-term debt and interest.

Town of Urania, Louisiana
Debt Service Funds
Balance Sheet
Year Ended June 30, 2003

ASSETS	
Cash	<u>\$ 11,105</u>
TOTAL ASSETS	<u>\$ 11,105</u>
LIABILITIES AND FUND BALANCE	
Liabilities	\$ -0-
Fund Balance Reserved For Debt Service	<u>11,105</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,105</u>

The accompanying notes are an integral part of this statement.

Town of Urania, Louisiana
Debt Service Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2003

Revenues:

Sewer Ad Valorem Taxes	\$	4,871
Interest		95

Total Revenues	\$	4,966

Expenditures:

Principal Retirement	\$	2,000
Interest		1,900

Total Expenditures	\$	3,900

Excess (Deficiency) Of Revenues Over Expenditures	\$	1,066
Fund Balance – Beginning		10,039
Fund Balance – Ending	\$	11,105

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS FUNDS

To account for the purchase of construction of major capital facilities which are not financed by proprietary funds, special assessment funds or trust funds.

LCDBG # 107-565349 the amount of \$600,000 for water facilities.

LCDBG # 107-900399 in the amount of \$485,000 for sewer improvements.

Town of Urania, Louisiana
Capital Projects Funds
Combining Balance Sheet
June 30, 2003

	LCDBG # 107-900399 Sewer Project	LCDBG # 107-565349 Fire Project	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ -0-	\$ -0-	\$ -0-
Total Assets	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
LIABILITIES AND FUND BALANCE			
Fund Balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of this statement.

*Town of Urania, Louisiana
Capital Projects Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance*

For The Year Ended June 30, 2003

	LCDBG #107-900399 Sewer Project	LCDBG # 107-565349 Fire Project	Total
Revenues			
Intergovernmental	\$ 86,325	\$ 535,933	\$ 622,258
Expenditures			
Administration	\$ 16,533	20,475	37,008
Economic Development	69,792	-0-	69,792
Public Works	-0-	515,458	515,458
Total Expenditures	\$ 86,325	\$ 535,933	\$ 622,258
Excess (Deficiency) Of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	-0-	-0-	-0-
Other Financing Sources (Uses)			
Transfers	\$ -0-	\$ -0-	\$ -0-
Excess (Deficiency) Of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	\$ -0-	\$ -0-	\$ -0-
Fund Balance – Beginning	-0-	-0-	-0-
Fund Balance - Ending	\$ -0-	\$ -0-	\$ -0-

The notes to the financial statements are an integral part of this statement.

Town of Urania, Louisiana
Capital Projects Funds

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
(Budget vs Actual)
For The Year Ended June 30, 2003**

	LCDBG # 107-565349 Fire Project		
	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 535,933	\$ 535,933	\$ -0-
Expenditures			
Administration	\$ 20,475	\$ 20,475	\$ -0-
Economic Development	-0-	-0-	-0-
Public Works	515,458	515,458	-0-
Total Expenditures	\$ 535,933	\$ 535,933	\$ -0-
Excess (Deficiency) Of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	-0-	-0-	-0-
Other Financing Sources (Uses)			
Transfers	\$ -0-	\$ -0-	\$ -0-
Excess (Deficiency) Of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	\$ -0-	\$ -0-	\$ -0-
Fund Balance – Beginning	-0-	-0-	-0-
Fund Balance - Ending	\$ -0-	\$ -0-	\$ -0-

LCDBG # 107-900399 Sewer Project			Total		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 86,325	\$ 86,325	\$ -0-	\$ 622,258	\$ 622,258	\$ -0-
\$ 16,533	16,533	-0-	37,008	37,008	-0-
69,792	69,792	-0-	69,792	69,792	-0-
-0-	-0-	-0-	515,458	515,458	-0-
\$ 86,325	\$ 86,325	\$ -0-	\$ 622,258	\$ 622,258	\$ -0-
-0-	-0-	-0-	-0-	-0-	-0-
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
-0-	-0-	-0-	-0-	-0-	-0-
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

The notes to the financial statements are an integral part of this statement.

ENTERPRISE FUNDS

Water and Sewer Fund

To account for the provisions of water and sewer services to residents of the Town and some residents of the parish. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operation, maintenance, financing and related debt service, billing and collection.

*Town of Urania, Louisiana
Combined Balance Sheet
All Proprietary Fund Types
June 30, 2003*

	Enterprise
ASSETS	
Current Assets	
Cash	\$ 32,842
Investment	50,339
Receivables (Net)	14,547
Due from Agency Fund	2,352
Total Current Assets	\$ 100,080
Restricted Assets	
Bond Sinking Fund	\$ 31,908
Bond Reserve	33,207
Depreciation and Contingency	25,275
Customers' Deposit	10,115
Total Restricted Assets	\$ 100,505
Plant & Equipment	\$ 2,973,274
Construction In Progress	648,474
Less Accumulated Depreciation	(863,956)
<i>Net Plant & Equipment</i>	\$ 2,757,792
TOTAL ASSETS	\$ 2,958,377
LIABILITIES & FUND EQUITY	
Liabilities	
<i>Current Liabilities (Payable from Current Assets):</i>	
Accounts Payable	\$ 6,894
<i>Current Liabilities (Payable from Restricted Assets):</i>	
Accrued Interest Payable	\$ 17,172
Current Bonds Payable	17,528
Customers' Deposits	20,104
Total Current Liabilities (Payable from Restricted Assets)	\$ 54,804
Long-Term Liabilities:	
Revenue Bonds Payable	\$ 577,679
Total Long-Term Liabilities	\$ 577,679
TOTAL LIABILITIES	\$ 639,377
FUND EQUITY:	
Contributed Capital	\$ 2,329,170
Retained Earnings	
Reserved for Bond Retirement	\$ 34,699
Reserved for Bond Contingency	25,275
Unreserved (Deficit)	(70,144)
Total Retained Earnings	\$ (10,170)
Total Fund Equity	\$ 2,319,000
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,958,377

The accompanying notes are an integral part of this statement.

Town of Urania, Louisiana
Combined Statement of Revenues, Expenses and Changes in Retained Earnings
All Proprietary Fund Types
Year Ended June 30, 2003

	Enterprise
Operating Revenues:	
Water Department	\$ 89,814
Sewer Department	112,553
Total Operating Revenues	\$ 202,367
Operating Expenses:	
Water Department	
Salaries and Related Costs	\$ 25,939
Material and Supplies	2,388
Depreciation	38,333
Repairs and Maintenance	2,500
Utilities	4,405
Insurance	2,189
Miscellaneous	343
Professional Services	139
Total Water Department	\$ 76,234
Sewer Department	
Salaries and Related Costs	\$ 32,326
Material and Supplies	1,980
Depreciation	36,877
Repairs and Maintenance	16,484
Utilities	18,596
Sewer Analysis	2,935
Insurance	13,389
Miscellaneous	415
Professional Fees	2,823
NW LaSalle Sewer District	5,600
Total Sewer Department	\$ 131,425
Total Operating Expenses	\$ 207,659
Operating Income (Loss)	(5,292)
Non-Operating Revenue (Expenses):	
Interest Income - Water Department	\$ 3,296
Interest Income - Sewer Department	745
Interest Expense - Water Department	(29,113)
Interest Expense - Sewer Department	(5,961)
Sewer Grant	40,000
Total Non-Operating Revenues (Expenses)	\$ 8,967
Income (Loss) Before Operating Transfers	3,675
Transfers (To) From Other Fund	\$ (69,213)
Net Income (Loss)	\$ (65,538)
Retained Earnings (Deficit), Beginning	\$ 55,368
Retained Earnings (Deficit), Ending	\$ (10,170)
Contributed Capital - Beginning	\$ 1,680,696
Additions From Capital Projects	648,474
Contributed Capital - Ending	\$ 2,329,170

The accompanying notes are an integral part of this statement.

*Town of Urania, Louisiana
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 Year Ended June 30, 2003*

	<u>Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss)	\$ (65,538)
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	75,210
(Increase) Decrease In:	
Trade Account Receivable	6,353
Allowance For Bad Debts	277
Increase (Decrease) in:	
Trade Accounts Payable	(2,538)
Accrued Interest	(498)
	<u>13,266</u>
NET CASH PROVIDED (USED) BY OPEARTING ACTIVITIES	<u>\$ 13,266</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investments	\$ 82,820
Customer Deposits	516
Grants	622,528
	<u>705,864</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ 705,864</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Debt Reduction:	
Revenue Bonds	\$ (17,528)
Notes Payable	(4,641)
Fixed Assets	(58,461)
Restricted Assets	7,154
Construction In Progress	(622,528)
	<u>(696,004)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>\$ (696,004)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ 23,126</u>
CASH AT BEGINNING OF YEAR	<u>9,716</u>
CASH AT END OF YEAR	<u>\$ 32,842</u>
SUPPLEMENTAL DISCLOSURES	
Interest Paid	<u>\$ 36,796</u>

The accompanying notes are an integral part of this statement.

PAYROLL AGENCY FUND

The Payroll Agency Fund accounts for payroll and payroll related expenses paid from the Town's various funds. The Agency Fund is purely custodial and does not involve measurement of results of operations.

Town of Urania, Louisiana
Payroll Agency Fund
Balance Sheet
Year Ended June 30, 2003

ASSETS	
Cash	\$ 2,352
TOTAL ASSETS	\$ 2,352
LIABILITIES AND FUND BALANCE	
<i>Liabilities</i>	
Due To Enterprise Fund	\$ 2,352
Fund Equity	-0-
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,352

The accompanying notes are an integral part of this statement.

*Town of Urania, Louisiana
Payroll Agency Fund
Statement of Changes in Assets and Liabilities
Year Ended June 30, 2003*

	Balance June 30, 2002	Additions	Deletions	Balance June 30, 2003
ASSETS				
Cash	<u>\$ 3,706</u>	<u>\$ 142,000</u>	<u>\$ (143,354)</u>	<u>\$ 2,352</u>
LIABILITIES				
Due Other Funds	<u>\$ 3,706</u>	<u>\$ 142,000</u>	<u>\$ (143,354)</u>	<u>\$ 2,352</u>

The accompanying notes are an integral part of this statement.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the Debt Service Fund.

Town of Urania, Louisiana
Statement of General Long-Term Debt
June 30, 2003

	<u>Public Improvements Sewer</u>
Amount Available And To Be Provided For The Retirement Of General Long-Term Debt	
Amount Available In Debt Service Funds For Debt Retirement	\$ 11,105
Amount To Be Provided From Ad Valorem Taxes	<u>24,895</u>
Total Available And To Be Provided	<u>\$ 36,000</u>
General Long-Term Debt Payable	
Bonds Payable	<u>\$ 36,000</u>
Total General Long-Term Debt Payable	<u>\$ 36,000</u>

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for all general fixed assets owned by the Town of Urania.

Town of Urania, Louisiana
Statement of Changes in
General Fixed Assets
Year Ended June 30, 2003

	<u>Balance June 30, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2003</u>
GENERAL FIXED ASSETS				
Fixed Assets	<u>\$ 166,691</u>	<u>\$ 35,547</u>	<u>\$ -0-</u>	<u>\$ 202,238</u>
INVESTMENTS IN GENERAL FIXED ASSETS				
General Fund	<u>\$ 166,691</u>	<u>\$ 35,547</u>	<u>\$ -0-</u>	<u>\$ 202,238</u>

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

JOHN R. VERCHER PC

Certified Public Accountant

P.O.Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Terri Corley, Mayor
and Members of the Town
Board of Aldermen
Urania, Louisiana

COMPLIANCE

I have audited the compliance of Town of Urania, Louisiana, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The Town of Urania, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Town of Urania, Louisiana's management. My responsibility is to express an opinion on Town of Urania, Louisiana's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Urania, Louisiana's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Town of Urania, Louisiana's compliance with those requirements.

In my opinion, Town of Urania, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of Town of Urania, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Town of Urania, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

John R. Vercher

Jena, Louisiana

September 3, 2003

**TOWN OF URANIA
URANIA, LOUISIANA**

**SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2003**

<u>Federal Grantor/Pass-Through Grantor/Programs Title</u>	<u>Federal CFDA Number</u>	<u>Agency Or Pass-Through Number</u>	<u>Federal Expenditures</u>
US Department of Housing and Urban Development/Louisiana Division of Administration			
Louisiana Community Development Block Grant # 107-900399	14.228	107-900399	\$ 86,325
Louisiana Community Development Block Grant # 107-565349	14.228	107-565349	535,933
			<u>\$ 622,258</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A – Single Audit Requirements –

In July 1996, the Single Act Amendments of 1996 (1996 Act) were enacted and superseded the Single Audit Act of 1984. In June 1997 OMB issued a revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, to implement the changes from the 1996 Act and to rescind Circular A-128. These requirements provide that entities expending \$300,000 or more of federal funds be subject to a single audit. Therefore, The Town of Urania, Louisiana is subject to Single Audit requirements for the fiscal year ended June 30, 2003.

Note B – Significant Accounting Policies –

The schedule of expenditures of federal awards utilized the modified accrual basis of accounting where expenditures are recognized when the goods and services are rendered and the resulting liability is incurred.

Supplementary schedule. Presented for purposes of additional analysis only.

TOWN OF URANIA

SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2003

I have audited the general purpose financial statements of the Town of Urania, Louisiana, as of and for the year ended June 30, 2003 and have issued my report thereon dated September 3, 2003. I conducted my audit in accordance with generally accepted auditing standards 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. My audit of the financial statements as of June 30, 2003 resulted in a unqualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

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

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

Yes No

c. Identification Of Major Programs:

CFDA Number (s)	Name Of Federal Program (or Cluster)
14.228	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

TOWN OF URANIA

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2003

Section II Financial Statement Findings Required To Be Reported In Accordance With GAGAS

Reference	Description of Finding	Recommendation
2003-C-1	<u>Budgets</u> The Town overspent its general fund budget for the fiscal year ended June 30, 2003 by \$23,198 or 10.2%. Expenditures in excess of 5% of the budget violates the local government budget law. The Town's budget was amended during the year, however it did not take in account the increase in expenditures.	When revenues or expenditures fail to meet budgeted revenue or expenditures by more than 5%, the budget should be amended.

Section III – Internal Control

No items to report.

Section IV Federal Awards Findings and Questioned Costs.

No items to report.

**TOWN OF URANIA
JUNE 30, 2003**

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS

REFERENCE	DESCRIPTION OF FINDING	CORRECTIVE ACTION PLANNED	CONTACT PERSON	ANTICIPATED COMPLETION DATE
2003-C-1	Budgets	The Town will begin monitoring its budget more closely and amend that budget when an unfavorable variance of more than 5% occurs.	Terri Corley	June 30, 2003

*Town of Urania
Urania, Louisiana*

*Management's Summary
Of Prior Year Findings*

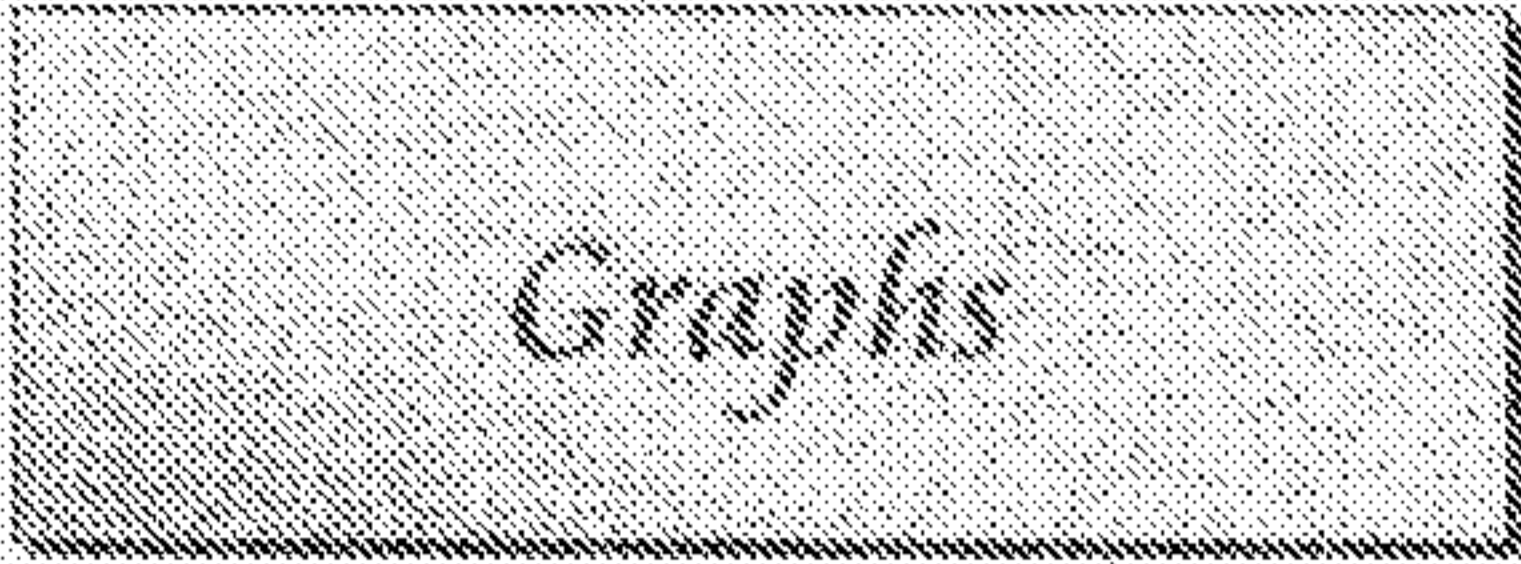
Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Town of Urania, LaSalle Parish, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2002.

2002-C-1 Budgets - (Unresolved)

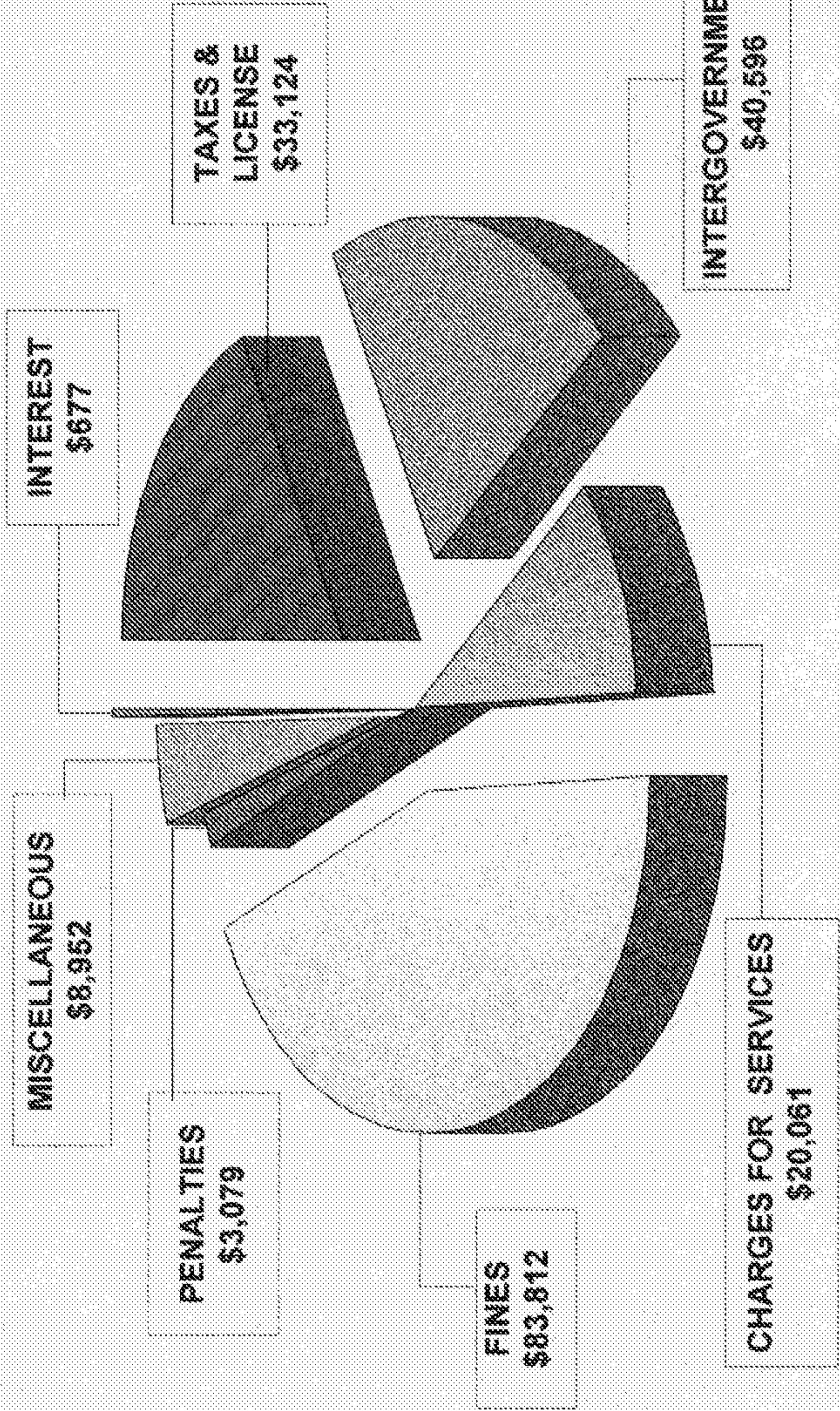
Finding: The Town overspent its general fund budget for the fiscal year ended June 30, 2002 by \$37,415 or 18.2%. The Town's budget was amended during the year, however it did not take in account an increase in revenues and expenditures.

Corrective Action: The Town will monitor its budgeted revenues and expenditure more closely and amend the budget when revenues fail to meet budgeted revenues or expenditures by more than 5%.



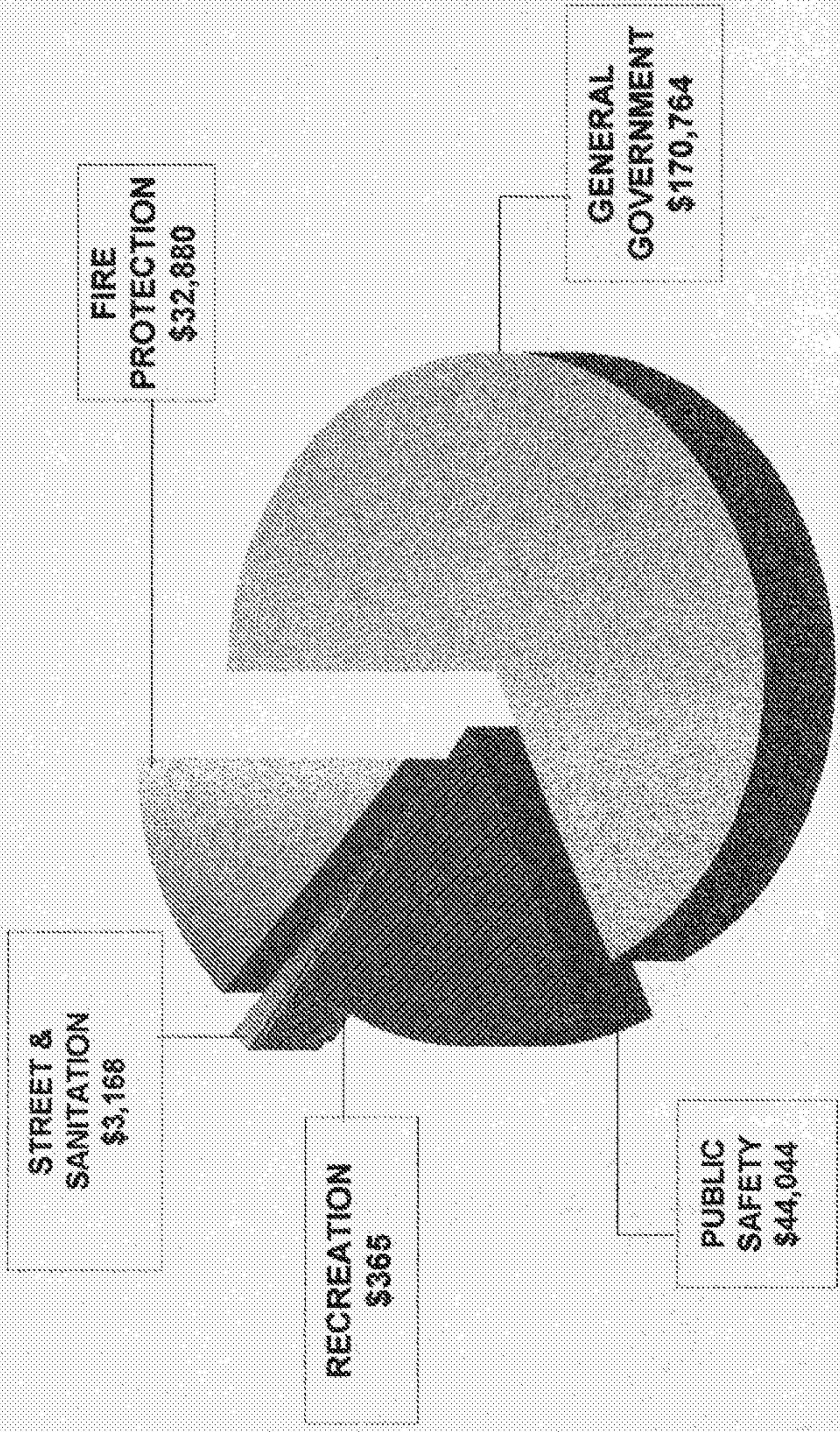
TOWN OF URANIA

GENERAL FUND REVENUES 6-30-2003



TOWN OF URANIA

GENERAL FUND EXPENDITURES 6-30-2003



TOWN OF URANIA

ENTERPRISE FUND EXPENSES 6-30-2003

