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VILLAGE OF LOREAUVILLE, LOUISIANA FINANCIAL REPORT

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JUNE 30, 2003

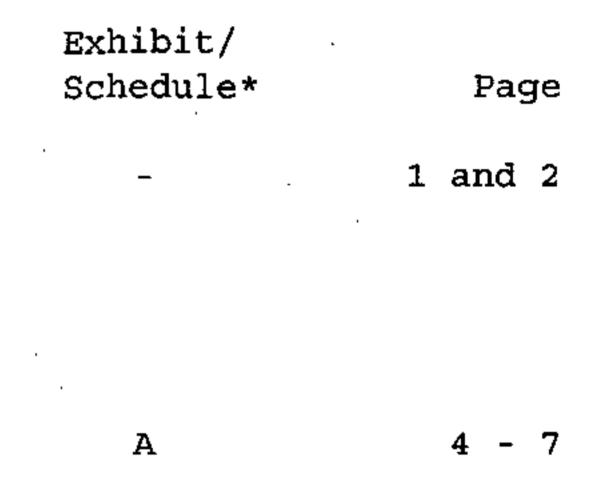
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the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

Release Date 1-14-04

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VILLAGE OF LOREAUVILLE, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

The Honorable Forbus J. Mestayer, Mayor and the Members of the Board of Aldermen Village of Loreauville Loreauville, Louisiana

We have audited the accompanying general purpose financial statements of Village of Loreauville, Louisiana, and the individual fund, and account group financial statements of the Village as of and for the year ended June 30, 2003, as listed in the table of contents. These financial statements are the responsibility of Village of Loreauville's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Eugene C. Gilder, CPA* Donald W. Kelley, CPA* Herbert Lemoine II, CPA* Frank A. Stagno, CPA* Scott J. Broussard, CPA* L. Charles Abshire, CPA* Kenneth R. Dugas, CPA* P. John Blanchet III, CPA* Stephen L. Lambousy, CPA+ Craig C. Babineaux, CPA* Peter C. Borrello, CPA* George J. Trappey III, CPA* Gregory B. Milton, CPA* S. Scott Soileau, CPA* Patrick D. McCarthy, CPA* Martha B. Wyatt, CPA* Troy J. Breaux, CPA* Fayetta T. Dupré, CPA* Mary A. Castille, CPA* Joey L. Breaux, CPA*

Terrel P. Dressel, CPA*

Retired:

Sidney L. Broussard, CPA* 1980 Leon K. Poché, CPA 1984 James H. Breaux, CPA 1987 We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in <u>Government Auditing</u> <u>Standards</u>, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Village of Loreauville, Louisiana, as of June 30, 2003, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and the account group of Village of Loreauville, Louisiana, as of June 30, 2003, and the results of operations of such funds and the cash flows of the individual proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Erma R. Walton, CPA 1988 George A. Lewis, CPA* 1992 Geraldine J. Wimberly, CPA* 1995 Rodney L. Savoy, CPA* 1996 Larry G. Broussard, CPA* 1997 Lawrence A. Cramer, CPA* 1999 Michael P. Crochet, CPA* 1999 Ralph Friend, CPA 2002

Members of American Institute of Certified Public Accountants Society of Louisiana Certified Fublic Accountants

* A Professional Accounting Corporation.

In accordance with <u>Government Auditing Standards</u>, we have also issued our report dated October 14, 2003, on our consideration of Village of Loreauville's internal control over financial reporting and our 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 <u>Government Auditing Standards</u> and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the individual fund and account group financial statements. The accompanying financial information listed as "Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Village of Loreauville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, individual fund, and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group, taken as a whole.

The financial information for the preceding fiscal year, which is included for

comparative purposes, was taken from the financial report of Village of Loreauville, Louisiana, for that year in which we expressed an unqualified opinion on the general purpose, individual fund, and account group financial statements.

Broussard, lochi, Sewis + Preame, L.L.P.

New Iberia, Louisiana October 14, 2003

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GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)

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VILLAGE OF LOREAUVILLE, LOUISIANA

COMBINED BALANCE SHEET -ALL FUND TYPES AND ACCOUNT GROUPS June 30; 2003

| ASSETS | Ger | neral | Special Revenue | - | oital jects |
|--------------------------|------|--------|--------------------|----|----------------|
| Cash | \$ 5 | 56,294 | \$ 134,244 | \$ | |
| Certificates of deposits | | - | 163,072 | | - |

Receivables, net of allowance for uncollectibles: .

| Accounts | _ | - | · _ |
|--------------------------------------|-------|-------------------|----------------|
| Other | - | - | - |
| Due from other funds | 67 | _ | _ |
| Due from other governmental agencies | 5,265 | 14,585 | 14,725 |
| Prepaid expense | 6,907 | - | . – |
| Restricted assets: | | | |
| Cash | 77 | | - |
| Land | _ | _ | _ |
| Buildings | _ | - | - |
| Improvements other than buildings | _ | · – | - . |
| Machinery and equipment | _ | - | _ |
| Utility plant in service | _ | - . | - |
| Accumulated depreciation | | | - |
| Construction in progress | | | _ |

Total assets

<u>\$ 68,610</u> <u>\$ 311,901</u> <u>\$ 14,725</u>

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Governmental Fund Types

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Exhibit A

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| Pro | oprietary | Ac | count | | Totals | | |
|-----|-----------|--------|-------|----|-------------------|----|----------|
| Fı | ind Type | G: | roup | | (Memorandum Only) | | Only) |
| | | Ge | neral | | | | |
| | | F | ixed | Ċ | June 30, | Ľ | June 30, |
| Er | nterprise | Assets | | | 2003 | | 2002 |
| \$ | 299,726 | \$ | _ | \$ | 490,264 | \$ | 160,408 |
| | - | | - | | 163,072 | | 154,090 |

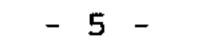
| 13,071 | _ | 13,071 | 9,047 |
|-------------------|---------------------|---------------------|---------------------|
| _ | _ | _ | 1,509 |
| | | | |
| · _ | _ | 67 | 1,114 |
| - | _ | 34,575 | 18,872 |
| - | - | 6,907 | 9,847 |
| | | | |
| ~~ ~ | | | |
| 25,344 | - | 25,421 | 11,502 |
| 5,000 | 23,698 | 28,698 | 28,698 |
| . – | 155,292 | 155,292 | 155,292 |
| · _ | 1,599,410 | 1,599,410 | 1,599,410 |
| 13,257 | 289,195 | 302,452 | 300,252 |
| 929,052 | - | 929,052 | 929,052 |
| (467,655) | _ | (467,655) | (445,717) |
| 77,509 | <u> </u> | 77,509 | 4,338 |
| | | | |
| | | | |
| | | A 3 350 435 | A 0 000 000 |
| <u>\$ 895,304</u> | <u>\$ 2,067,595</u> | <u>\$ 3,358,135</u> | <u>\$ 2,937,714</u> |
| | | | |

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(continued)

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VILLAGE OF LOREAUVILLE, LOUISIANA

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COMBINED BALANCE SHEET -ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED) June 30, 2003

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Governmental Fund Types

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| LIABILITIES AND FUND EQUITY | General | Special <u>Revenue</u> | ▲ , |
|------------------------------------|------------------|---------------------------|--------------------|
| Liabilities: | | | |
| Accounts payable | \$ 11,179 | 9 \$ - | \$ 14,725 |
| Accrued liabilities | 439 | 5 10 | 9 - |
| Payable from restricted assets - | | | |
| Customers' deposits | 71 | 7 - | . – |
| Accrued interest on bonds | - | _ | _ |
| Retainage payable | - | - | _ |
| Due to other funds | _ | 22 | 2 - |
| Revenue bonds payable | - | _ | - |
| Deferred revenue | 24,778 | <u> </u> | <u> </u> |
| Total liabilities | \$ 36,469 | <u>\$ 13:</u> | <u>1 \$ 14,725</u> |
| Fund equity: | | | |
| Contributed capital | \$- | \$- | `\$ - |
| Investment in general fixed assets | - | - | |
| Retained earnings - unreserved | - | | _ |
| Fund balance - | | | |
| Reserved | 2,633 | 41,959 | Э – |
| Unreserved - | | | |
| Designated for subsequent year's | | | |
| expenditures | - | 37,110 |) - |
| Undesignated | 29,508 | 232,701 | L – |
| Total fund equity | \$ 32,141 | | |
| Total liabilities and fund equity | <u>\$ 68,610</u> | <u>\$ 311,901</u> | <u>\$ 14,725</u> |

See Notes to Financial Statements.

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| Exhibit | Α |
|-----------|-----|
| (continue | ed) |

| Pro | prietary | Acc | count | Totals | | | |
|------------|----------|-----|-------|-------------------|---------|------|----------|
| _ Fu | nd Type | Gr | oup | (Memorandum Only) | | nly) | |
| | | Ger | neral | | | | |
| | | F | ixed | J | une 30, | J | Tune 30, |
| Enterprise | | As | ssets | 2003 | | 2002 | |
| | | | | | | | |
| \$ | 4,225 | \$ | - | \$ | 30,129 | \$ | 18,477 |
| | 707 | | - | | 1,251 | | 591 |
| | 13,853 | | _ | | 13,930 | | 11,502 |

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| | 2,650 | ~ | 2,650 | _ | |
|-----------|----------------|---------------------|---|---------------------|--|
| | 1,150 | - | 1,150 | _ | |
| | 45 | _ | 67 | 1,114 | |
| | 300,000 | - | 300,000 | - | |
| | | | 24,778 | | |
| <u>\$</u> | 322,630 | \$ -0- | <u>\$ </u> | <u>\$ 31,684</u> | |
| \$ | 467,124 | \$- | \$ 467,124 | \$ 426,363 | |
| • | _ | 2,067,595 | 2,067,595 | 2,065,395 | |
| | 105,550 | - | 105,550 | 90,592 | |
| | _ | _ | 44,592 | 31,003 | |
| | _ | _ | 37,110 | 34,357 | |
| | _ | _ | 262,209 | 258,320 | |
| \$ | 572,674 | \$ 2,067,595 | \$ 2,984,180 | \$ 2,906,030 | |
| <u>\$</u> | <u>895,304</u> | <u>\$ 2,067,595</u> | <u>\$ 3,358,135</u> | <u>\$ 2,937,714</u> | |

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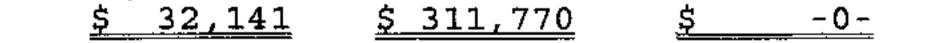
VILLAGE OF LOREAUVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -ALL GOVERNMENTAL FUND TYPES Year Ended June 30, 2003

| | General | Special Revenue | Capital _Projects |
|----------------------|-----------|--------------------|----------------------|
| Revenues: | | | |
| Taxes | \$ 39,968 | \$ 128,678 | \$- |
| Licenses and permits | 40,687 | _ | _ |
| Intergovernmental | 18,644 | - | 59,976 |
| Fines and forfeits | 148 | _ | - |
| Interest | 66 | 10,071 | - |
| Miscellaneous | 4,246 | | |

| Total revenues | <u>\$ 103,759</u> | <u>\$ 138,749</u> | <u>\$ 59,976</u> |
|--|---------------------|---------------------|------------------|
| Expenditures: | | | |
| General government | \$ 71,849 | \$ 12,067 | \$- |
| Public safety - | | | |
| Police | 45,000 | - | |
| Fire | 13,062 | - | - |
| Public works | 45,144 | - | _ |
| Capital projects | <u></u> | | 59,976 |
| Total expenditures | <u>\$ 175,055</u> | \$ 12,067 | <u>\$</u> 59,976 |
| Excess (deficiency) of revenues | | | |
| over expenditures | <u>\$ (71,296</u>) | <u>\$ 126,682</u> | \$ -0- |
| Other financing sources (uses): | | | |
| Operating transfers in | \$ 76,098 | \$- | \$- |
| Operating transfers out Total other financing | | (111,253) | |
| sources (uses) | <u>\$ 76,098</u> | <u>\$(111,253</u>) | <u>\$ -0-</u> |
| Excess (deficiency) of revenues | | | |
| and other sources over | | | |
| expenditures and other uses | \$ 4,802 | \$ 15,429 | \$ -0- |
| Fund balances, beginning | 27,339 | 296,341 | |





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See Notes to Financial Statements.

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Exhibit B

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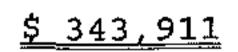
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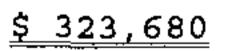
| Totals | | | |
|-------------|------------|--|--|
| (Memorandum | Only) | | |
| 2003 | 2002 | | |
| | | | |
| \$ 168,646 | \$ 165,455 | | |
| 40,687 | 39,362 | | |
| 78,620 | 46,952 | | |
| 148 | 449 | | |
| 10,137 | 11,628 | | |
| 4,246 | 2,399 | | |

-

| <u>\$ 302,484</u> | \$ 266,245 |
|--------------------|---------------------|
| \$ 83,916 | \$ 72,054 |
| , | |
| 45,000 | 45,159 |
| 13,062 | 13,201 |
| 45,144 | 46,779 |
| 59,976 | 23,443 |
| <u>\$ 247,098</u> | \$ 200,636 |
| <u>\$55,386</u> | <u>\$ 65,609</u> |
| \$ 76,098 | \$ 59,124 |
| (111,253) | (91,015) |
| <u></u> , | |
| <u>\$</u> (35,155) | <u>\$ (</u> 31,891) |
| | |
| | |
| \$ 20,231 | \$ 33,718 |
| ~ _ ~ / _ ~ _ ~ | + ••/·=• |
| 323,680 | 289,962 |



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VILLAGE OF LOREAUVILLE, LOUISIANA

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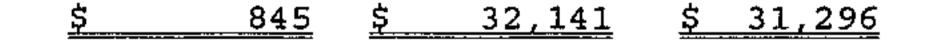
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -GENERAL AND SPECIAL REVENUE FUND TYPES Year Ended June 30, 2003

| | General Fund | | | | | |
|----------------------|--------------|--------|----|--------|------|-----------|
| | | | | | | vorable |
| | | Budget | | Actual | (Unf | avorable) |
| Revenues: | | | | | | |
| Taxes | \$ | 42,350 | \$ | 39,968 | \$ | (2,382) |
| Licenses and permits | | 35,830 | | 40,687 | | 4,857 |
| Intergovernmental | | 19,600 | | 18,644 | | (956) |
| Fines and forfeits | | 100 | | 148 | | 48 |
| Interest | | 70 | | 66 | | (4) |
| Miscellaneous | | 17,400 | | 4,246 | | (13,154) |

| <u>\$115,3</u> | <u>350 \$</u> | 103,759 | \$ | (11,591) |
|-----------------|---|---|---|---|
| | | | | |
| \$ 63,2 | 271 \$ | 71,849 | \$ | (8,578) |
| | | | | |
| 45,0 | 000 | 45,000 | | - |
| 11,2 | 200 | 13,062 | | (1,862) |
| 75,0 |)34 | 45,144 | . — | 29,890 |
| <u>\$</u> 194,5 | 505 <u>\$</u> | 175,055 | \$ | 19,450 |
| | | | | |
| <u>\$</u> (79,1 | 155) <u>\$</u> | (71,296) | \$ | 7,859 |
| | | | | |
| \$ 80,0 | 000 \$ | 76,098 | \$ | (3,902) |
| | <u> </u> | | | <u> </u> |
| | | | | |
| <u>\$</u> 80,0 | <u>000</u> \$ | 76,098 | \$ | (3,902) |
| | | | | |
| \$ 8 | \$45 \$ | 4,802 | \$ | 3,957 |
| | | 27,339 | | 27,339 |
| | \$ 63,2 45,0 11,2 75,0 \$ 194,5 \$ 194,5 \$ (79,1 \$ 80,0 \$ 80,0 | \$ 63,271 \$ 45,000 11,200 75,034 \$ 194,505 \$ \$ (79,155) \$ \$ 80,000 \$ \$ 80,000 \$ \$ 80,000 \$ | $\begin{array}{c ccccccccccccccccccccccccccccccccccc$ | $\begin{array}{c ccccccccccccccccccccccccccccccccccc$ |

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See Notes to Financial Statements.

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Exhibit C

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| Sp | ecia | al Revenue | Fund | S | | (Me | Totals morandum C | nly) | |
|------------------|------|------------|------|----------------------------------|---------------|-----|----------------------|------|-------------------------------------|
| Budget | | Actual | Fa | riance – vorable avorable) | Budget | | Actual | Fa | ariance - avorable [avorable] |
| \$ 105,200 | \$ | 128,678 | \$ | 23,478 | \$ 147,550 | \$ | 168,646 | \$ | 21,096 |
| _ | | - | | - | 35,830 | | 40,687 | | 4,857 |
| - | | - | | - | 19,600 | | 18,644 | | (956) |
| - | | - | | - | 100 | | 148 | | 48 |
| 2,100 | | 10,071 | | 7,971 | 2,170 | | 10,137 | | 7,967 |
| _ | | | | - | 17,400 | | 4,246 | | (13,154) |

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| <u>\$ 107,300</u> | <u>\$ 138,749</u> | <u>\$ 31,449</u> | <u>\$ 222,650 </u> \$ 242,508 | <u>\$ 19,858</u> |
|----------------------|----------------------|------------------|---|-----------------------------|
| \$ 14,657 | \$ 12,067 | \$ 2,590 | \$ 77,928 \$ 83,916 | \$ (5,988) |
| | _ _ _ | | 45,000 45,000 11,200 13,062 75,034 45,144 | - (1,862) |
| <u>\$ 14,657</u> | <u>\$ 12,067</u> | <u>\$2,590</u> | <u>\$ 209,162 </u> | <u>\$ 22,040</u> |
| <u>\$92,643</u> | <u>\$ 126,682</u> | <u>\$ 34,039</u> | <u>\$ 13,488 \$ 55,386</u> | <u>\$ 41,898</u> |
| \$- (127,000) | \$- (111,253) | \$- 15,747 | \$ 80,000 \$ 76,098 (127,000) (111,253) | \$ (3,902) <u>15,747</u> |
| <u>\$ (127,000</u>) | <u>\$ (111,253</u>) | <u>\$ 15,747</u> | <u>\$ (47,000) \$ (35,155</u>) | <u>\$ 11,845</u> |
| \$ (34,357) | \$ 15,429 | \$ 49,786 | \$ (33,512) \$ 20,231 | \$ 53,743 |
| 34,357 | 296,341 | 261,984 | 34,357 323,680 | 289,323 |



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Exhibit D

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VILLAGE OF LOREAUVILLE, LOUISIANA

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STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -PROPRIETARY FUND TYPE - ENTERPRISE FUND Years Ended June 30, 2003 and 2002

| | 2003 | 2002 |
|----------------------------------|-----------|------------------|
| Operating revenues: | | |
| Charges for services - | | |
| Recycling fees | \$ 7,050 | \$ 6,849 |
| Sewerage service charges | 38,414 | 32,261 |
| Garbage service charges | 32,913 | 31,991 |
| Penalties for delinquent payment | 2,004 | 1,802 |
| Miscellaneous | 74 | 45 |
| Total operating revenues | \$ 80,455 | <u>\$</u> 72,948 |

Operating expenses:

.

| Advertising | \$ 756 | \$- |
|--------------------------|--------------------|--------------------|
| Analysis | 1,560 | 1,630 |
| Auto and truck | 1,731 | 825 |
| Contract labor | 408 | 384 |
| Convention | 297 | _ |
| Depreciation | 21,938 | 21,938 |
| Garbage collection | 28,437 | 28,136 |
| Insurance | 10,424 | 11,533 |
| Legal and accounting | 6,523 | 2,075 |
| Miscellaneous | 1,270 | 386 |
| Office supplies | 3,815 | 3,932 |
| Professional services | 595 | 1,671 |
| Recycling fees | 7,157 | . 6,958 |
| Repairs and maintenance | 828 | 2,914 |
| Salaries | 31,788 | 34,208 |
| Supplies | 1,135 | 1,906 |
| Taxes – payroll | 2,448 | 1,128 |
| Utilities | 14,218 | 12,307 |
| Total operating expenses | <u>\$135,328</u> | \$131,931 |
| Operating loss | <u>\$(54,873</u>) | <u>\$(58,983</u>) |
| Nonoperating revenues: | | |
| Interest revenue | \$ 125 | \$ 15 |
| Property taxes | 6,298 | 5,879 |
| Fire protection fees | 9,038 | 8,934 |

Total nonoperating revenues

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<u>\$ 15,461</u> <u>\$ 14,828</u>

(continued)

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Exhibit D (continued)

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VILLAGE OF LOREAUVILLE, LOUISIANA

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -PROPRIETARY FUND TYPE - ENTERPRISE FUND (CONTINUED) Years Ended June 30, 2003 and 2002

| | 2003 | 2002 |
|--|------------------------------|----------------------|
| Loss before operating transfers | <u>\$(39,412</u>) | <u>\$(44,155</u>) |
| Operating transfers in (out): Operating transfers in Operating transfers out | \$ 43,400 <u>(8,245</u>) | \$ 41,000 (9,126) |
| Total operating transfers | <u>\$ 35,155</u> | <u>\$ 31,874</u> |
| Net loss | \$ (4,257) | \$(12,281) |

| Add depreciation on assets contributed that reduces contributed capital | 19,215 | 18,859 |
|--|------------------|------------------|
| Increase in retained earnings | \$ 14,958 | \$ 6,578 |
| Retained earnings, beginning | 90,592 | 84,014 |
| Retained earnings, ending | <u>\$105,550</u> | <u>\$ 90,592</u> |

See Notes to Financial Statements.

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VILLAGE OF LOREAUVILLE, LOUISIANA

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STATEMENTS OF CASH FLOWS -PROPRIETARY FUND TYPE - ENTERPRISE FUND Years Ended June 30, 2003 and 2002

| | | 8888 |
|--|---------------------|-------------------|
| | 2003 | 2002 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | \$ 76 2F7 | Ċ 70 E41 |
| Cash received from customers | \$ 76,357 15,410 | \$ 72,54 14,85 |
| Other receipts Coch noumants for coods and corvises | (81,529) | (76,32) |
| Cash payments for goods and services | • • | • |
| Cash payments to employees | (31,175) | (34,65) |
| Net cash used in operating activities | \$(20,937) | \$(23,57) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers from other funds | \$ 43,400 | \$ 41,00 |
| Transfers to other funds | (9,314) | (9,41 |
| Increase in customers' deposit, net of refunds | 2,460 | 46 |
| Net cash provided by noncapital | | |
| financing activities | <u>\$ 36,546</u> | <u>\$ 32,05</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>\$ 125</u> | <u>\$ 1</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Issuance of revenue bonds | \$300,000 | \$- |
| Acquisition of capital assets | (9,395) | (4,33 |
| Net cash provided by (used in) capital and | - | |
| related financing activities | \$290,605 | <u>\$ (4,33</u> |
| Net increase in cash | \$306,339 | \$ 4,15 |
| Cash, beginning | 18,731 | 14,57 |
| Cash, ending | <u>\$325,070</u> | <u>\$ 18,73</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES | | |
| Operating loss | \$(54,873) | \$(58,98 |
| Adjustments to reconcile operating loss to | | |
| net cash used in operating activities: | | |
| | 01 000 | 01 00 |

| Depreciation | 21,938 | 21,938 |
|--|---------|--------|
| (Increase) decrease in receivables | (4,024) | (354) |
| Increase (decrease) in accounts payable | 73 | (544) |
| Increase (decrease) in accrued liabilities | 613 | (442) |
| Other revenue | 15,336 | 14,812 |
| | | |

Net cash used in operating activities <u>\$(20,937</u>) <u>\$(23,573</u>)

(continued)

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Exhibit E

VILLAGE OF LOREAUVILLE, LOUISIANA

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STATEMENTS OF CASH FLOWS -PROPRIETARY FUND TYPE - ENTERPRISE FUND (CONTINUED) Years Ended June 30, 2003 and 2002

| | 2003 | 2002 |
|--|------------------|---------------|
| NONCASH INVESTING, CAPITAL AND FINANCING | | |
| ACTIVITIES: | | |
| Construction of assets acquired by | 、 | |
| contributions | <u>\$ 59,976</u> | <u>\$ -0-</u> |

See Notes to Financial Statements.

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VILLAGE OF LOREAUVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Village of Loreauville, Louisiana ("Village") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

Reporting entity:

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not

accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government -

Village of Loreauville - The Village was incorporated April 23, 1909, under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government and provides the following services: public safety (police and fire), public works (maintenance, sanitation, public improvements), and general administrative services.

There are no entities that meet the criteria for inclusion as a component unit of the Village.

Fund accounting:

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

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

Funds are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to 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. Goods or services from such activities provided to outside parties are accounted for in enterprise funds.

Proprietary funds are reported in accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989 be applied to proprietary activities unless they (FASB Statements and Interpretations, ARB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the Village will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Basis of accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Ad valorem taxes are recognized as revenue in the year they are collected. Sales taxes are considered "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Other major revenues considered susceptible to accrual are earned grant revenues and interest on investments. Franchise fees, licenses and permits, and court fines are recognized when received because they are not objectively determinable.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

- 19 -

Cash and investments:

Cash consists of demand deposit accounts as well as cash held by the Village.

The Village's investments at June 30, 2003 consisted of time certificates of deposit purchased from local financial institutions, which are not subject to GASB Statement No. 31 requirements. These certificates are stated at cost.

For purposes of statements of cash flows for the proprietary fund type, highly liquid investments (including restricted assets) with an original maturity of three months or less are considered to be cash equivalents.

Short-term interfund receivables/payables:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Restricted assets:

Certain assets of the Sewer Fund are classified as restricted assets on the balance sheet because their use is limited by bond ordinances or because they represent customers' deposits being held by the Village.

Fixed assets:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All fixed assets are valued at historical cost, except for donated fixed assets which are stated at their estimated fair market value on the date received.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, streets and sidewalks, and drainage improvements, are capitalized along with other general fixed assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

Interest on debt issued to finance sewerage system improvements has been capitalized as a part of the cost of such project. Fixed assets of the Sewerage Fund include capitalized interest totaling \$2,650.

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Compensated absences:

Vested or accumulated annual leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated annual leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated annual leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Long-term obligations:

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in a debt service fund for payment early in the following year. For other long-term obligations (there were none at June 30, 2003), only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund equity:

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Interfund transactions:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

All other interfund transfers are reported as operating transfers.

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Memorandum only - total columns:

Total columns on the general purpose financial statements 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 cash flows in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative data:

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data

have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to understand.

Certain amounts in the 2002 financial statements have been reclassified to the 2003 presentation. Such reclassifications had no material effect on fund equity as previously reported.

Grant revenues:

In general, grants received by the Village are reimbursable-type grants and revenues are recognized as earned only when the expenditures to be reimbursed have been incurred.

Bad debts:

Uncollectible accounts due for sewerage fees are recognized under the allowance method. The allowance for doubtful accounts for such receivables totaled \$256 at June 30, 2003 (2002; \$256).

Property taxes are recognized as uncollectible by direct charge-off at the time the uncollectibility of the account becomes known or can be estimated. The difference between direct charge-off of such accounts and establishment of an allowance is not material.

Note 2. Legal Compliance - Budgets

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

1. The municipal clerk prepares a proposed budget and submits this to the Mayor and Board of Aldermen at least fifteen days prior to the beginning of the fiscal year. The operating budget includes proposed expenditures and the means of financing them. Since the proposed expenditures are less than \$250,000, public participation in the budgetary process is not required.

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- 2. The budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- 3. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
- 4. All budgetary appropriations lapse at the end of each fiscal year.
- 5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the Capital Projects Fund was approved by the grantor.

Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

Note 3. Deposits

At year end, the carrying amount of the Village's deposits was \$678,732 and the bank balance was \$680,677. Of the bank balance, \$219,064 was covered by federal depository insurance. The remaining balance of \$461,613 was covered by collateral held by a third party bank in the Village's name. Cash on hand at June 30, 2003 was \$25.

Note 4. 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 Village in September or October and are actually billed to the taxpayers in November. Billed taxes are due by December 31 and become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

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

For the years ended June 30, 2003 and 2002, taxes of 7.80 mills and 7.80 mills, respectively, were levied on property with assessed valuations totaling \$2,305,619 and \$2,137,659, respectively, and were dedicated as follows:

General Alimony 5.05 mills Sewerage Tax 2.75 mills

Total taxes levied were \$17,986 for 2003 and \$16,674 for 2002. Taxes receivable at June 30, 2003 totaled \$67, all of which is considered collectible. No receivable has been recorded for this immaterial amount.

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Note 5. Interfund Receivables, Payables

A detail of interfund receivable and payable balances is as follows:

| Fund | | rfund vables | | erfund vables |
|---------------------------|-----------|-----------------|-----------|------------------|
| General Fund | \$ | 67 | \$ | |
| Special revenue fund: | | | | |
| Sales Tax Fund | | - | | 22 |
| Enterprise fund: | | | | |
| Sewerage and Garbage Fund | | - | | <u>45</u> |
| Totals | <u>\$</u> | 67 | <u>\$</u> | 67 |

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Note 6. Restricted Assets

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| Restricted assets were a | pplicable to the | he following | at June 30: | |
|--|------------------|--------------|------------------|------------------|
| | | | 2003 | 2002 |
| Proprietary Fund Type | - Enterprise Fu | und: | | |
| Customers' deposits | | | \$ 13,853 | \$ 11,393 |
| Bond sinking fund | | | 10,010 | - |
| Contingency fund | | | 1,481 | |
| | | | <u>\$ 25,344</u> | <u>\$ 11,393</u> |
| Governmental Fund Type Ad Valorem Tax Depos | | d: | <u>\$ 77</u> | <u>\$ 109</u> |
| Note 7. Changes in General Fixed | Assets | | | - |
| A summary of changes in | general fixed a | assets follo | ws: | |
| | Balance, | | | Balance, |
| | July 1, | | | June 30, |
| | 2002 | Additions | Deductions | 2003 |
| Land | \$ 23,698 \$ | \$ - | \$ - | \$ 23,698 |
| Building | 155,292 | - | - | 155,292 |
| Improvements other | | | | |

improvements other than buildings 1,599,410 1,599,410 Equipment 2,200 289,195 286,995 Total general fixed assets <u>\$</u> \$2,065,395 2,200 <u>\$2,067,595</u> -0-<u>\$</u>____

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A summary of proprietary fund type property, plant and equipment at June 30, 2003 follows:

| Land | \$ 5,000 |
|--------------------------------|--------------------------|
| Pump stations and equipment | 84,251 |
| Lines | 844,801 |
| Other machinery and equipment | 13,257 |
| Construction in progress | 77,509 |
| Less: Accumulated depreciation | \$1,024,818 (467,655) |
| Total | <u>\$ 557,163</u> |

The following estimated useful lives are used to compute depreciation:

| | Years |
|-------------------------|--------|
| | |
| Pump stations | 50 |
| Lines | 50 |
| Machinery and equipment | 3 - 20 |

Note 8. Dedication of Proceeds and Flow of Funds - 1-1/2% Sales and Use Tax

Proceeds of 1-1/2% sales and use tax levied by the Village (2003 collections \$128,276; 2002 \$124,090) were dedicated to the following:

- 1. 1% is for constructing and maintaining sewerage, drainage, streets and other works of permanent public improvement in the Village, title to which shall be in the public. On November 21, 1987, the voters of the Village approved a rededication of the use of the sales taxes collected which now permits the use of these revenues to pay for any expenditures lawfully incurred.
- 2. An additional 1/2% was passed effective January 1, 1995 to be dedicated and used, in supplement of other sales tax revenues, to operate and maintain the Loreauville Police Department. In November 2002, the voters of the Village approved the rewording of the dedication to include contracting with the Iberia Parish Sheriff's Office in lieu of operating the Loreauville Police Department.

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Note 9. Contributed Capital

During the year, contributed capital changed by the following amounts:

| Contributed fixed assets | \$ 59,976 |
|--------------------------|------------------|
| Depreciation charged | (19,215) |
| | \$ 40,761 |
| Contributed capital, | |
| July 1, 2002 | 426,363 |
| | |
| Contributed capital; | |
| June 30, 2003 | <u>\$467,124</u> |

Note 10. Long-term Debt

<u>Revenue Bonds</u>. The Village has issued bonds which are payable from income derived from the proprietary fund.

Proceeds are being used to fund improvements to the Sewerage System. These bonds, expected to be paid from the Sewerage and Garbage proprietary fund, are reported in that fund. Revenue bonds outstanding at June 30, 2003 are as follows:

| | Issue Date | Maturity <u>Date</u> | Interest <u>Rate</u> | Balance tstanding |
|---------------------|---------------|-------------------------|-------------------------|-------------------------|
| Sewer Revenue Bonds | • • | 02/01/18 02/01/08 | 4.95% - | \$ 255,000 45,000 |

<u>\$300,000</u>

Debt service requirements to maturity are as follows:

| Year Ending June 30, | <u>Principal</u> | Interest | Total |
|-------------------------|------------------|-----------|-----------|
| 2004 | \$ 14,000 | \$ 10,063 | \$ 24,063 |
| 2005 | 15,000 | 12,276 | 27,276 |
| 2006 | 16,000 | 11,929 | 27,929 |
| 2007 | 17,000 | 11,583 | 28,583 |
| 2008 | 17,000 | 11,237 | 28,237 |

| 2009 - 2013 | 95,000 | 45,788 | | 140,788 |
|-------------|---------|--------|---------|---------|
| 2014 - 2018 | 126,000 | 19,305 | <u></u> | 145,305 |

<u>\$ 300,000 \$ 122,181 \$ 422,181</u>

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<u>Changes in Long-Term Debt</u>. During the year ended June 30, 2003, the following changes occurred in long-term liabilities:

| | Balance, | | | Balance, |
|---------------|-----------------|-------------------|---------------|-------------------|
| | July 1, 2002 | <u>Additions</u> | Reductions | June 30, 2003 |
| Revenue bonds | <u>\$ -0-</u> | <u>\$ 300,000</u> | <u>\$ -0-</u> | <u>\$ 300,000</u> |

Note 11. Segment Information for Enterprise Fund

The Village maintains one enterprise fund which provides sewerage and garbage services. Except as noted below, operating results of the enterprise fund are presented in Exhibits D and E of this report. Other required segment information for the year ended June 30, 2003 is as follows:

| | Sewerage and Garbage Fund |
|-----------------------|---------------------------------|
| Net working capital | <u>\$ 306,670</u> |
| Long-term liabilities | <u>\$ 286,000</u> |
| Total assets | <u>\$ 895,304</u> |
| Total equity | <u>\$ 572,674</u> |

Note 12. Flow of Funds; Restrictions on Use

Under the terms of the bond indenture on outstanding Sewer Revenue Bonds dated April 14, 2003, all income and revenues derived from the operation of the sewer system are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds, after payment of the reasonable and necessary operating expenses of maintaining the system:

Sewer Revenue Bond and Interest Sinking Fund: Transfer monthly a sum equal to 1/12 of the principal and 1/6 of the interest due on the next payment date.

Sewer Depreciation and Contingency Fund: Transfer \$300 monthly.

All required transfers were made for the year ended June 30, 2003.

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Note 13. Compensation of Elected Officials

A detail of compensation paid to individual elected officials for the year ended June 30, 2003 is as follows:

| Forbus Mestayer, Sr., Mayor | \$ | 12,000 |
|-----------------------------|----------|--------|
| Aldermen: | | |
| Otto Girouard, Jr. | | 2,700 |
| John Broussard | | 675 |
| Albert Broussard | | 2,700 |
| Jimmy Defilice | <u> </u> | 1,800 |

<u>\$ 19,875</u>

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Note 14. New Reporting Standards

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This standard established new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The Village is required to implement this standard for the fiscal year ended June 30, 2004. The Village has not yet determined the full impact that adoption of GASB Statement No. 34 will have on the financial statements.



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FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

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GENERAL FUND

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

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Exhibit F-1

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VILLAGE OF LOREAUVILLE, LOUISIANA GENERAL FUND

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BALANCE SHEETS June 30, 2003 and 2002

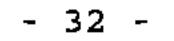
| ASSETS | 2003 | 2002 |
|--------------------------------------|------------------|------------------|
| Current assets: | - | |
| Cash | \$ 56,294 | \$ 23,503 |
| Due from other governmental agencies | 5,265 | 6,107 |
| Due from other funds | 67 | 1,114 |
| Prepaid expense | 6,907 | 9,847 |
| Total current assets | <u>\$ 68,533</u> | <u>\$ 40,571</u> |
| Restricted assets: | | |
| Cash | <u>\$ 77</u> | <u>\$ 109</u> |

| Total assets | ` <u>\$ 68,610</u> | <u>\$ 40,680</u> |
|------------------------------------|--------------------|------------------|
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 11,179 | \$ 12,825 |
| Customers' deposits | 77 | 109 |
| Accrued liabilities | 435 | 407 |
| Deferred revenue | 24,778 | |
| Total liabilities | <u>\$ 36,469</u> | <u>\$ 13,341</u> |
| Fund balance: | | |
| Reserved for fire protection | \$ 2,633 | \$3,598 |
| Reserved for drainage | - | 3,099 |
| Unreserved and undesignated | 29,508 | 20,642 |
| Total fund equity | <u>\$ 32,141</u> | <u>\$ 27,339</u> |
| Total liabilities and fund balance | <u>\$ 68,610</u> | <u>\$ 40,680</u> |

See Notes to Financial Statements.

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Exhibit F-2

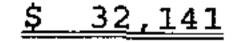
VILLAGE OF LOREAUVILLE, LOUISIANA GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL Year Ended June 30, 2003 With Comparative Actual Amounts for Year Ended June 30, 2002

| | | 2003 | | |
|---|-------------------|-------------------|---------------------|-------------------|
| | | | Variance - | |
| | | | Favorable | 2002 |
| | Budget | Actual | (Unfavorable) | Actual |
| Revenues: | | | | |
| Taxes | \$ 42,350 | • • • • | \$ (2,382) | \$ 41,365 |
| Licenses and permits | 35,830 | 40,687 | 4,857 | 39,362 |
| Intergovernmental | 19,600 | 18,644 | (956) | 23,509 |
| Fines and forfeits | 100 | 148 | 48 | 232 |
| Interest | 70 | 66 | (4) | 78 |
| Miscellaneous | 17,400 | 4,246 | (13,154) | 2,399 |
| Total revenues | <u>\$ 115,350</u> | <u>\$ 103,759</u> | <u>\$ (11,591</u>) | <u>\$ 106,945</u> |
| Expenditures: | | | | |
| General government | \$ 63,271 | \$ 71,849 | \$ (8,578) | \$ 60,012 |
| Public safety - | | • | | • • |
| Police | 45,000 | 45,000 | - | 45,159 |
| Fire | 11,200 | 13,062 | (1,862) | 13,201 |
| Public works | 75,034 | 45,144 | 29,890 | 46,779 |
| Total expenditures | \$ 194,505 | \$ 175,055 | \$ 19,450 | \$ 165,151 |
| Excess (deficiency) of | | | | |
| revenues over expenditures | \$ (79,155) |) \$ (71,296) | \$7,859 | \$ (58,206) |
| | | | | <u> </u> |
| Other financing sources: | | | | |
| Transfers from Sales Tax Fund | \$ 71,000 | \$ 67,853 | \$ (3,147) | \$ 50,015 |
| Transfers from Sewerage and Garbage Fund | 9,000 | 8,245 | (755) | 9,109 |
| Total other financing | | | / | |
| sources | \$ 80,000 | <u>\$ 76,098</u> | <u>\$ (3,902</u>) | <u>\$ 59,124</u> |
| Excess (deficiency) of revenues | | | | |
| and other sources over | | | | |
| expenditures | \$ 845 | \$ 4,802 | \$ 3,957 | \$ 918 |
| | <u>Y 07J</u> | Υ τ ιονΔ | <u>y 5,957</u> | \$ 918 |
| Fund balance, beginning | | 27,339 | - | 26,421 |

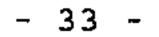
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See Notes to Financial Statements.



Schedule F-3

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VILLAGE OF LOREAUVILLE, LOUISIANA GENERAL FUND

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SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL Year Ended June 30, 2003 With Comparative Actual Amounts for Year Ended June 30, 2002

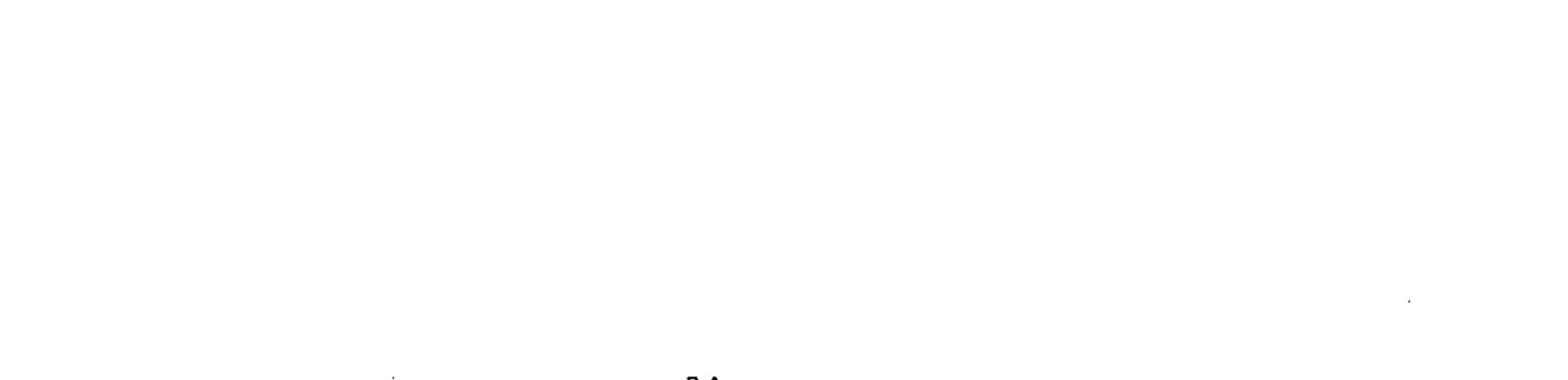
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| | Budget | | Actual | | Variance - Favorable (Unfavorable) | | | 2002 Actual |
|-----------------------|--------|----------|--------|--------|--|------------|------------|----------------|
| Revenues: | | U | | | | <u>.</u> . | - - | |
| Taxes - | | | | | | | | |
| Ad valorem taxes | \$ | 10,950 | \$ | 11,621 | \$ | 671 | \$ | 10,796 |
| Cablevision franchise | | 1,000 | | 1,040 | | 40 | | 1,009 |
| Cleco franchise | | 22,500 | | 20,596 | | (1,904) | | 20,910 |
| Entex franchise | | 6,000 | | 4,798 | | (1,202) | | 6,751 |
| Lawco franchise | | 1,900 | | 1,913 | | 13 | | 1,899 |

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| Licenses and permits - | | | | | |
|------------------------|-------------------|-------------------|---------------------|-------------------|--|
| Occupational | 14,500 | 14,729 | 229 | 15,152 | |
| Alcohol permits | 1,330 | 1,330 | - | 1,330 | |
| Insurance | 20,000 | 24,628 | 4,628 | 22,880 | |
| Intergovernmental - | | | | | |
| Beer taxes | 2,900 | 3,546 | 646 | 4,249 | |
| 2% fire insurance tax | 2,200 | 2,764 | 564 | 2,544 | |
| Mosquito control tax | 14,500 | 10,768 | (3,732) | 14,150 | |
| DOTD maintenance funds | _ | 1,566 | 1,566 | 1,566 | |
| Parish grant (van) | _ | - | _ | 1,000 | |
| Fines and forfeits | 100 | 148 | 48 | 232 | |
| Interest | 70 | 66 | (4) | 78 | |
| Miscellaneous - | | | | | |
| Water plant lease | 1,900 | 1,960 | 60 | 1,955 | |
| Other | 500 | 2,286 | 1,786 | 444 | |
| Capital improvements | 15,000 | | (15,000) | <u> </u> | |
| Total revenues | <u>\$ 115,350</u> | <u>\$ 103,759</u> | <u>\$ (11,591</u>) | <u>\$ 106,945</u> | |



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Schedule F-4

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VILLAGE OF LOREAUVILLE, LOUISIANA GENERAL FUND

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SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL Year Ended June 30, 2003

With Comparative Actual Amounts for Year Ended June 30, 2002

| | | 2003 | | | | | | |
|------------------------------|-------------|--------|-----------|--------|--------------|-----------|-----------|---------------|
| | | | | | Va | riance - | | |
| | | | | | Fav | vorable | | 2002 |
| | | Budget | | Actual | <u>(Unfa</u> | avorable) | | Actual |
| General government: | | | | | | | | |
| Advertising and publications | \$ | 500 | \$ | 460 | \$ | 40 | \$ | 274 |
| Codifying ordinances | | 600 | | - | | 600 | | 614 |
| Contract labor | | - | | 746 | | (746) | | 915 |
| Convention and seminars | | 1,000 | | 1,237 | | (237) | | 842 |
| Coroner | | 420 | | - | | 420 | | - |
| Dues | | 300 | | 297 | | 3 | | 297 |
| Insurance | | 8,500 | | 12,912 | • | (4,412) | | 9,175 |
| Legal and accounting | | 4,151 | | 4,951 | | (800) | | 4,149 |
| Mayor and Council fees | | 21,000 | | 19,200 | | 1,800 | | 20,100 |
| Miscellaneous | | 100 | | 978 | | (878) | | 50 |
| Office auto | | 200 | | 260 | | (60) | | 152 |
| Office supplies | | 3,000 | | 3,044 | | (44) | | 1,628 |
| Payroll taxes | | 2,700 | | 2,588 | | 112 | | 1,091 |
| Professional fees | | 1,300 | | 602 | | 698 | | 642 |
| Repairs and maintenance | | 500 | | 3,062 | | (2,562) | | 667 |
| Salaries | | 14,000 | | 14,437 | | (437) | | 13,818 |
| Utilities | | 5,000 | | 5,275 | | (275) | | 5,098 |
| Capital outlays | | | . | 1,800 | | (1,800) | | 500 |
| Total general governmen | t <u>\$</u> | 63,271 | \$ | 71,849 | \$ | (8,578) | \$ | 60,012 |
| | | | | | | | | |
| ublic safety: | | | | | • | | | |
| Police department- | | | | | | | | |
| Contract labor | \$ | 45,000 | \$ | 45,000 | \$ | - | \$ | 45,000 |
| Insurance | | | | | | | | 159 |
| Total police department | <u>\$</u> | 45,000 | <u>\$</u> | 45,000 | <u>\$</u> | - 0 - | <u>\$</u> | 45,159 |
| Fire department - | | | | | | | | • |
| Advertising | \$ | - | \$ | - | \$ | - | \$ | 98 |
| Vehicle expense | | 1,100 | | 531 | | 569 | | 2,152 |
| Insurance | | 6,600 | | 10,121 | | (3,521) | | 5,236 |
| Office supplies and postage | | 500 | | 557 | | (57) | | 511 |
| Repairs and maintenance | | 1,000 | | 209 | | 791 | | 506 |
| Utilities | | 2,000 | | 1,557 | | 443 | | 1,532 |
| | | | | 07 | | (07) | | 2 1 <i>66</i> |

| Capital outlays | | | 87 | | (87) | 3,166 |
|-----------------------|-----------|--------|--------------|-----------|---------|----------------------|
| Total fire department | <u>\$</u> | 11,200 | \$ 13,062 | \$ | (1,862) | \$ 13,201 |
| Total public safety | <u>\$</u> | 56,200 | \$ 58,062 | <u>\$</u> | (1,862) | \$ <u>5</u> 8,360 |

(continued)

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Schedule F-4 (continued)

VILLAGE OF LOREAUVILLE, LOUISIANA GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED) Year Ended June 30, 2003 With Comparative Actual Amounts for Year Ended June 30, 2002

| | | 2003 | | |
|--|---|-------------------|--|--|
| | Budget | Actual | Variance - Favorable (Unfavorable) | 2002 Actual |
| Public works: Vehicle expenses Drainage improvements Insurance Miscellaneous Payroll taxes Repairs and maintenance Salaries Sidewalk repairs Supplies Utilities Capital outlays | <pre>\$ 1,700 3,000 10,800 200 1,902 1,500 24,232 5,000 1,500 10,200 15,000</pre> | | | \$ 1,216 2,717 6,044 196 800 101 24,586 730 9,990 399 |
| Total public works | \$ 75,034 | \$ 45,144 | <u>\$ 29,890</u> | <u>\$ 46,779</u> |
| Total expenditures | <u>\$ 194,505</u> | <u>\$ 175,055</u> | <u>\$ 19,450</u> | <u>\$ 165,151</u> |

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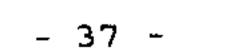
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SPECIAL REVENUE FUND

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Sales Tax Fund - To account for the receipt and use of proceeds of the Village's 2% sales and use tax.

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Exhibit G-1

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VILLAGE OF LOREAUVILLE, LOUISIANA SPECIAL REVENUE FUND SALES TAX FUND

BALANCE SHEETS June 30, 2003 and 2002

.

| ASSETS | 2003 | 2002 |
|--------------------------------------|------------------|------------------|
| Cash | \$134,244 | \$129,567 |
| Certificates of deposit | 163,072 | 154,090 |
| Due from other governmental agencies | 14,585 | 12,765 |
| Other receivables | | 9 |
| Total assets | <u>\$311,901</u> | <u>\$296,431</u> |

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LIABILITIES AND FUND BALANCE

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| Liabilities: | | |
|------------------------------------|------------------|------------------|
| Due to other funds | \$ 22 | \$- |
| Accrued liabilities | 109 | 90 |
| Total liabilities | <u>\$ 131</u> | \$ 90 |
| Fund balance: | | |
| Reserved for law enforcement | \$ 41,959 | \$ 24,306 |
| Unreserved - | | |
| Designated for subsequent year's | | |
| expenditures | 37,110 | 34,357 |
| Undesignated | 232,701 | 237,678 |
| Total fund balance | <u>\$311,770</u> | <u>\$296,341</u> |
| Total liabilities and fund balance | <u>\$311,901</u> | <u>\$296,431</u> |

See Notes to Financial Statements.

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Exhibit G-2

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VILLAGE OF LOREAUVILLE, LOUISIANA SPECIAL REVENUE FUND SALES TAX FUND

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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL Year Ended June 30, 2003 With Comparative Actual Amounts for Year Ended June 30, 2002

| | 2003 | | | | | | | |
|---------------------|------|---------|----|---------|----|------------------------------------|----|----------------|
| | | Budget | | Actual | Fá | ariance - avorable avorable) | | 2002 Actual |
| Revenues: | | | | ····· | · | | | |
| Taxes - | | | | | | | | |
| Sales tax collected | \$ | 105,000 | \$ | 128,276 | \$ | 23,276 | \$ | 124,090 |
| Delinquent charges | | 200 | | 402 | | 202 | | 217 |
| Interest | | 2,100 | | 10,071 | | 7,971 | • | 11,550 |

| Total revenues | <u>\$ 107,300</u> | <u>\$ 138,749</u> | <u>\$ 31,449</u> | <u>\$ 135,857</u> |
|---|----------------------|---------------------|------------------|---------------------|
| Expenditures: | | | | |
| General government - | | | | |
| Collection expenses | \$ 900 | \$ 1,299 | \$ (399) | \$ 1,015 |
| Conventions and seminars | 500 | - · | 500 | - |
| Dues | 80 | 100 | (20) | 80 |
| Insurance | 2,800 | 1,043 | 1,757 | 1,660 |
| Legal and accounting | 2,770 | 2,200 | 570 | 2,075 |
| Office supplies | 100 | 178 | (78) | 76 |
| Salaries and payroll taxes | 7,507 | 7,247 | 260 | 7,136 |
| Total expenditures | <u>\$ 14,657</u> | <u>\$ 12,067</u> | <u>\$2,590</u> | <u>\$ 12,042</u> |
| Excess of revenues | | | | |
| over expenditures | <u>\$92,643</u> | \$ 126,682 | <u>\$ 34,039</u> | <u>\$ 123,815</u> |
| Other financing uses: Operating transfers to - | | | | |
| General Fund | \$ (71,000) | \$ (67,853) | \$ 3,147 | \$ (50,015) |
| Sewerage and Garbage Fund | (56,000) | (43,400) | 12,600 | (41,000) |
| Total other financing | (20/000/ | | | (11) (000) |
| uses | <u>\$ (127,000</u>) | <u>\$(111,253</u>) | <u>\$ 15,747</u> | <u>\$ (91,015</u>) |
| | | | | |

Excess (deficiency) of revenues over expenditures

•

| and other uses | Ś | (34,357) | \$ 15,429 | \$ 49,786 | \$ 32,800 |
|-------------------------|---|----------|-------------------|-------------------|-------------------|
| Fund balance, beginning | _ | 34,357 | 296,341 | 261,984 | 263,541 |
| Fund balance, ending | 5 | -0- | <u>\$ 311,770</u> | <u>\$ 311,770</u> | <u>\$ 296,341</u> |

See Notes to Financial Statements.

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CAPITAL PROJECTS FUND

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LCDBG FUND - To account for the receipt and use of the grant received from LCDBG.

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Exhibit H-1

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VILLAGE OF LOREAUVILLE, LOUISIANA CAPITAL PROJECTS FUND LCDBG FUND

BALANCE SHEETS June 30, 2003 and 2002

| ASSETS | 2003 | 2002 |
|--------------------------------------|------------------|-----------------|
| Due from other governmental agencies | <u>\$ 14,725</u> | <u>\$ 1,500</u> |
| Total assets | <u>\$ 14,725</u> | <u>\$ 1,500</u> |
| LIABILITIES | | |
| Liabilities: Accounts payable | <u>\$ 14,725</u> | <u>\$ 1,500</u> |

| TOTAL | liabilities | |
|-------|-------------|--|
| TOCUT | TIMOTITOTOD | |

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<u>\$ 14,725</u> <u>\$ 1,500</u>

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See Notes to Financial Statements.

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Exhibit H-2

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VILLAGE OF LOREAUVILLE, LOUISIANA CAPITAL PROJECTS FUND LCDBG FUND

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STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES Years Ended June 30, 2003 and 2002

| | 2003 | 2002 |
|------------------------|------------------|------------------|
| Revenues: | · | |
| Intergovernmental – | | |
| . Federal grant | \$ 59,976 | \$- |
| State program revenues | | 23,443 |
| Total revenues | <u>\$ 59,976</u> | <u>\$ 23,443</u> |
| | | |

Expenditures: Capital projects -

.

| Sewer improvements Housing rehabilitation | \$ 59,976 | \$- |
|---|------------------|------------------|
| Total expenditures | <u>\$ 59,976</u> | <u>\$ 23,443</u> |
| Excess (deficiency)of revenues over expenditures | \$-0- | \$ -0- |
| Fund balance, beginning | | |
| Fund balance, ending | <u>\$ -0-</u> | <u>\$ -0-</u> |

See Notes to Financial Statements.

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Schedule H-3

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VILLAGE OF LOREAUVILLE, LOUISIANA CAPITAL PROJECTS FUND LCDBG FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO PROGRAM BUDGET Year Ended June 30, 2003

| | Total | | |
|---------------------|-----------|-----------|------------|
| | Program | | Remaining |
| | Budget | Actual | Budget |
| Revenues: | | | |
| Intergovernmental – | | | |
| Federal grant | \$599,968 | \$ 59,976 | \$ 539,992 |
| Expenditures: | | | |
| Capital projects - | | | |
| Sewer improvements | 599,968 | 59,976 | 539,992 |

| Excess (deficiency) of revenues over expenditures | \$ | -0- | \$ | -0- | \$ | - 0 - |
|--|-----------|-----|-----------|-----|-----------|--------------|
| Fund balance, beginning | | | | | | <u> </u> |
| Fund balance, ending | <u>\$</u> | -0- | <u>\$</u> | -0- | <u>\$</u> | -0- |

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See Notes to Financial Statements.

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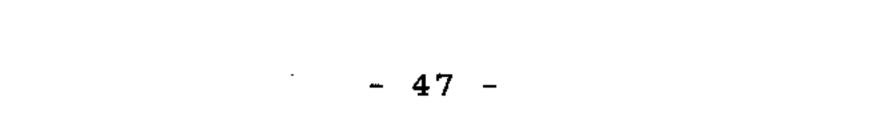
ENTERPRISE FUND

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Sewerage and

Garbage Fund - To account for the provision of sewer, garbage and recycling services to residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and billing and collection.

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VILLAGE OF LOREAUVILLE, LOUISIANA ENTERPRISE FUND SEWERAGE AND GARBAGE FUND

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BALANCE SHEETS June 30, 2003° and 2002°

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| ASSETS | 2003 | 2002 |
|---|-----------|------------------|
| Current assets: Cash Accounts receivable, net of allowance for uncollectible accounts, 2003 - \$256; | \$299,726 | \$7,338 |
| 2002 - \$256 | 13,071 | 9,047 |
| Total current assets | \$312,797 | <u>\$ 16,385</u> |

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| F | Restricted ass Cash | ets: | | <u>\$ 25,344</u> | <u>\$ 11,393</u> |
|---|------------------------|---|-------|------------------|------------------|
| F | | pment, net of accu , 2003 - \$467,655; | 5,717 | <u>\$557,163</u> | <u>\$505,930</u> |
| | | | | | |
| | | | | | - |
| | | | | | - |
| | | | | | |
| | | | | | |
| | Total | assets | | <u>\$895,304</u> | <u>\$533,708</u> |

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| | Exhibit I-1 |
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| LIABILITIES AND FUND EQUITY | 2003 | 2002 |
|---|------------------|------------------|
| Current liabilities (payable from current assets): | | |
| Accounts payable | \$ 4,225 | \$ 4,152 |
| Accrued liabilities | 707 | 94 |
| Retainage payable | 1,150 | - |
| Due to other funds | 45 | 1,114 |
| | \$ 6,127 | \$ 5,360 |
| Current liabilities (payable from restricted assets): | | |
| Customers' deposit | \$ 13,853 | \$ 11,393 |
| Bonds payable, due currently | 14,000 | - |
| Accrued interest on bonds | 2,650 | |
| - | \$ 30,503 | \$ 11,393 |
| Other liabilities: | | |
| Bonds payable, net of current portion | \$286,000 | <u>\$ -0-</u> |
| Total liabilities | \$322,630 | <u>\$ 16,753</u> |
| Fund equity: | | |
| Contributed capital - | | |
| Contributions from federal grants | \$374,220 | \$326,420 |
| Contributions from Iberia Parish Police Jury | 61,870 | 64,268 |
| Contributions from State of Louisiana | 31,034 | 35,675 |
| Total contributed capital | \$467,124 | \$426,363 |
| Retained earnings - unreserved | 105,550 | 90,592 |
| Total fund equity | \$572,674 | <u>\$516,955</u> |
| Total liabilities and fund equity | <u>\$895,304</u> | <u>\$533,708</u> |

See Notes to Financial Statements.

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GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.



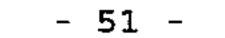


Exhibit J-1

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VILLAGE OF LOREAUVILLE, LOUISIANA

STATEMENTS OF GENERAL FIXED ASSETS June 30, 2003 and 2002

.

| | 2003 | 2002 |
|---|--------------------|--------------------|
| General fixed assets, at cost: | | |
| Land | \$ 23,698 | \$ 23,698 |
| Buildings | 155,292 | 155,292 |
| Improvements other than buildings | 1,599,410 | 1,599,410 |
| Equipment and furnishings | 289,195 | 286,995 |
| Total general fixed assets | <u>\$2,067,595</u> | <u>\$2,065,395</u> |
| Investment in general fixed assets: | | |
| Property acquired prior to July 1, 1975 | \$ 41,592 | \$ 41,592 |
| Property acquired after July 1, 1975 from – | | |
| Federal grants | 100,000 | 100,000 |
| State grants | 1,638,391 | 1,638,391 |
| Parish grants | 52,379 | 52,379 |
| General fund revenues | 150,015 | 149,616 |
| Sales tax fund revenues | 71,039 | 71,039 |
| Federal revenue sharing funds | 9,769 | 9,769 |
| Gifts | 4,410 | 2,610 |
| Total investment in general fixed assets | <u>\$2,067,595</u> | <u>\$2,065,396</u> |

| | nvestment in general | fixed assets | <u>\$2,067,595</u> | <u>\$2,065,396</u> |
|--|----------------------|--------------|--------------------|--------------------|
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See Notes to Financial Statements.

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Exhibit J-2

VILLAGE OF LOREAUVILLE, LOUISIANA

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS Year Ended June 30, 2003

| | Balance, | | | Balance, |
|-------------------------|--------------------|----------------|---------------|--------------------|
| | July 1, | | | June 30, |
| | 2002 | Additions | Deductions | 2003 |
| General fixed assets: | | | | |
| Land | \$ 23,698 | \$ | \$- | \$ 23,698 |
| Buildings | 155,292 | - | _ | 155,292 |
| Improvements other than | | | | |
| buildings | 1,599,410 | - | _ | 1,599,410 |
| Machinery and equipment | 286,995 | 2,200 | <u> </u> | 289,195 |
| Total general fixed | | | | |
| assets | <u>\$2,065,395</u> | <u>\$2,200</u> | <u>\$ -0-</u> | <u>\$2,067,595</u> |

Investment in general fixed assets

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<u>\$2,065,395</u> <u>\$ 2,200</u> <u>\$ -0-</u> <u>\$2,067,595</u>

See Notes to Financial Statements.

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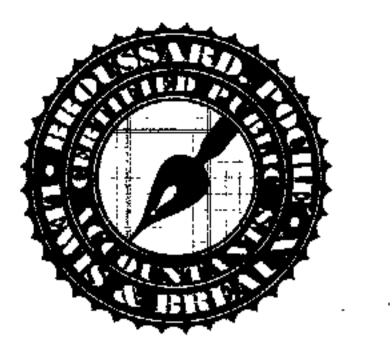
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BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

146 W. Main St. P.O. Box 9631 New Iberia, Louisiana 70562-9631 phone: (337) 364-4554 fax: (337) 364-6664

Other Offices:

Lafayette, LA (337) 988-4930

Opelousas, LA (337) 942-5217

Abbeville, LA (337) 898-1497

Crowley, LA (337) 783-0650

Church Point, LA (227) 684-2855 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 Forbus J. Mestayer, Mayor and the Board of Aldermen Village of Loreauville Loreauville, Louisiana

(337) 004-2033

Eugene C. Gilder, CPA+ Donald W. Kelley, CPA* Herbert Lemoine II, CPA* Frank A. Stagno, CPA* Scott J. Broussard, CPA* L. Charles Abshire, CPA* Kenneth R. Dugas, CPA* P. John Blanchet III, CPA* Stephen L. Lambousy, CPA* Craig C. Babineaux, CPA* Peter C. Borrello, CPA* George J. Trappey III, CPA* Gregory B. Milton, CPA* S. Scott Soileau, CPA* Patrick D. McCarthy, CPA* Martha B. Wyatt, CPA* Troy J. Breaux, CPA* Fayetta T. Dupré, CPA* Mary A. Castille, CPA* Joey L. Breaux, CPA* Terrel P. Dressel, CPA*

Retired:

Sidney L. Broussard, CPA* 1980 Leon K. Poché, CPA 1984 James H. Breaux, CPA 1987 Erma R. Walton, CPA 1988 George A. Lewis, CPA* 1992 Geraldine J. Wimberly, CPA* 1995 Rodney L. Savoy, CPA* 1996 Larry G. Broussard, CPA* 1997 Lawrence A. Cramer, CPA* 1999 Michael P. Crochet, CPA* 1999 Ralph Friend, CPA 2002 We have audited the general purpose financial statements of Village of Loreauville, Louisiana, and the individual fund and account group financial statements as of and for the year ended June 30, 2003, and have issued our report thereon dated October 14, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we 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 our audit and, accordingly, we do no express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under <u>Government Auditing Standards</u>.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable

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* A Professional Accounting Corporation.

conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2003-1 and 2003-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poche Lewis + Breaux, L.L.P.

New Iberia, Louisiana October 14, 2003

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Schedule K-1

VILLAGE OF LOREAUVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2003

We have audited the financial statements of Village of Loreauville, Louisiana as of and for the year ended June 30, 2003, and have issued our report thereon dated October 14, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2003 resulted in an unqualified opinion.

Section I. Summary of Auditors' Results

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

Internal Control

Material WeaknessesXYesNoReportable ConditionsXYesNo

Compliance Compliance Material to Financial Statements Yes X No

Section II. Financial Statement Findings

#2003-1 Segregation of Duties

Finding: The Village does not have an adequate segregation of duties in the administrative office. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Village may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition.

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Village should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

#2003-2 Sewer Adjustments

Finding: When testing the procedures for applying adjustments to sewer bills, in 6 out of 10 adjustments tested, the amount of the adjustment could not be recomputed based on the approved method indicated in Section 25-93 of the Village's Code. Furthermore, for 5 of the adjustments tested, there was no written documentation

justifying the adjustment. Additionally, there was one business charged a flat rate of \$5.00; however, there was no documentation supporting this reduced rate.

Recommendation: The Village has begun to implement the procedure of requiring written approval forms for all adjustments applied. The Village should continue this implementation as well as follow approved methods in calculating adjustments.

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Schedule K-2

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VILLAGE OF LOREAUVILLE, LOUISIANA

SCHEDULE OF PRIOR FINDINGS Year Ended June 30, 2003

Section I. Internal Control and Compliance Material to the Financial Statements None reported.

Section II. Internal Control and Compliance Material to Federal Awards Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.

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VILLAGE OF LOREAUVILLE

| FORBUS J. MESTAYER, SR., MAYOR |
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| ALDERMEN: |
| ALBERT A. BROUSSARD, JR. |
| John C. Broussard |
| OTTO A. GIROUARO, JR. |
| PHYLLIS B. SAVOY, CMC / AAE CLERK/TAX COLLECTOR |

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P. O. BOX 336 LOREAUVILLE, LOUISIANA 70552 (337) 229-8306 FAX: (337) 229-4450

Email: loreauville@cox-internet.com

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December 3, 2003

Mr. Grover Austin Legislative Auditor State of Louisiana Post Office Box 94397 Baton Rouge, LA 70804-9397

Village of Loreauville respectfully submits the following corrective action plan for the year ended June 30, 2003.

Name and address of independent public accounting firm: Broussard, Poche', Lewis & Breaux, L.L.P. Certified Public Accountants Post Office Box 61400 Lafayette, Louisiana 70596-1400

Audit period: July 1, 2002 through June 30, 2003.

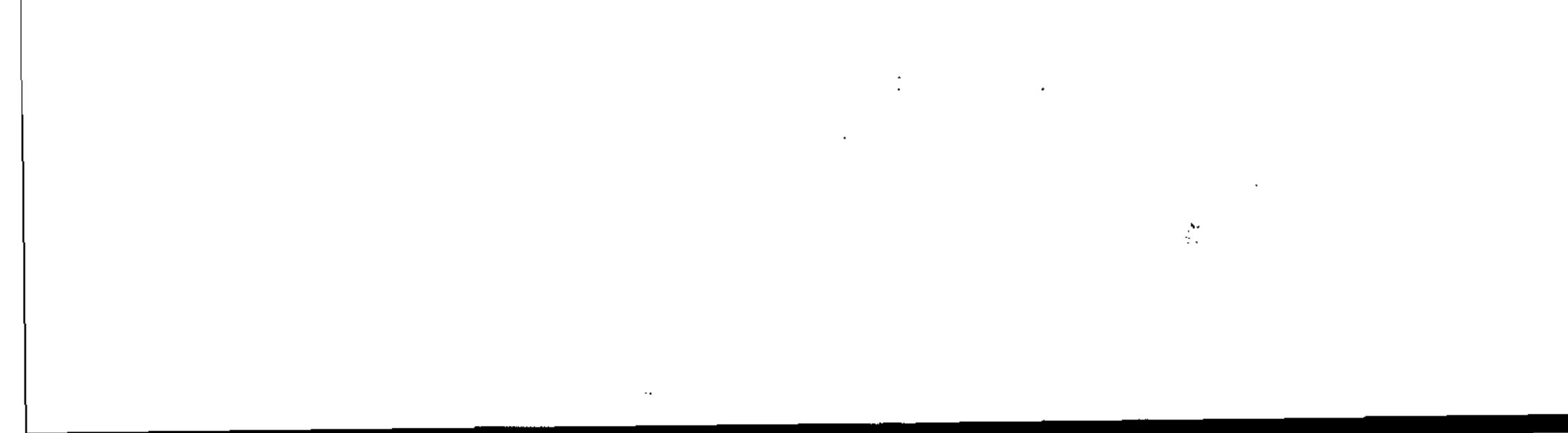
The findings from the 2003 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditors' Results, does not include findings and is not addressed.

Section II - Financial Statement Findings

2003-1 Segregation of Duties

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Village should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Action Taken: Management has ensured as much as possible based on available resources. We will continue to monitor the situation; however, adequate segregation is not feasible.



Mr. Grover Austin Legislative Auditor State of Louisiana December 3, 2003 Page - 2 -

2003-2 <u>Sewer Adjustments</u>

Recommendation: The Village has begun to implement the procedure of requiring written approval forms for all adjustments applied. The Village should continue this implementation as well as follow approved methods in calculating adjustments.

Action Taken: When a customer requests an adjustment, it has to be in writing. When the adjustment is issued, the approved method in the Village Code is now followed.

If the Legislative Auditor has questions regarding this plan, please call Phyllis Savoy at (337)229-8306.

Sincerely yours,

VILLAGE OF LOREAUVILLE

J. Meseayer. Sr Forbus J.

Mayor