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TOWN OF PORT BARRE, LOUISIANA

Financial Report

Year Ended September 30, 2003

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Release Date 3.17.04

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

P.O. Box 82329
Lafayette, LA 70598

Phone (337) 232-4141
Fax (337) 232-8660

WEB SITE:
WWW.KCSRCPAS.COM

MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Allen J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angelle Scroggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA
Robert S. Cartier, CPA
Daniel W. Alexander, CPA

MANAGEMENT LETTER

* A Professional Accounting Corporation

The Honorable John Fontenot, Mayor
and Members of the Board of Aldermen
Town of Port Barre, Louisiana

During our audit of the basic financial statements of the Town of Port Barre for the year ended September 30, 2003, we noted an area in which improvements in the accounting system and financial practices of the Town may be desirable. This recommendation was also included in our management letter dated January 9, 2003 applicable to our audit of the financial statements for the year ended September 30, 2002, but is mentioned again for re-emphasis.

The Utility Fund sewerage department experienced an operating loss before operating transfers of \$73,340. Additionally, the gas department realized a loss of \$9,397. The Town should consider increasing sewerage and gas rates and /or decreasing expenses in order for these departments to operate on a profitable basis.

We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing any of our recommendations, please feel free to contact us.

Kolder, Champagne, Slaven & Company, LLC

Certified Public Accountants

Lafayette, Louisiana
December 19, 2003

183 South Beadle
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net assets	5
Statement of activities	6
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	8
Reconciliation of the governmental funds balance sheet to the statement of net assets	9
Statement of revenues, expenditures, and changes in fund balances- governmental funds	10
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds	11
Comparative statement of net assets - proprietary fund	12
Comparative statement of revenues, expenses, and changes in fund net assets - proprietary fund	13
Comparative statement of cash flows - proprietary fund	14-15
Notes to basic financial statements	16-35
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	37
1966 Sales Tax Special Revenue Fund	38
1996 Sales Tax Special Revenue Fund	39

TABLE OF CONTENTS

	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION	
OTHER FINANCIAL INFORMATION	
General Fund - budgetary comparison schedule - revenues	42
General Fund - budgetary comparison schedule- expenditures	43-44
1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund - budgetary comparison schedule	45
Street Improvement Bond 01/01/87 Debt Service Fund - budgetary comparison schedule	46
Schedule of number of utility customers (unaudited)	47
Schedule of insurance in force (unaudited)	48
Combined schedule of interest-bearing deposits - all funds	49
Comparative departmental analysis of revenues and expenses	50-51
COMPLIANCE, INTERNAL CONTROL, AND OTHER INFORMATION	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	53-54
Summary schedule of current and prior year audit findings and corrective action plan	55

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

The Honorable John Fontenot, Mayor,
and Members of the Board of Aldermen
Town of Port Barre, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Port Barre, Louisiana, as of and for the year ended September 30, 2003, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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 Government Auditing Standards, 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Port Barre, Louisiana, as of September 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 19, 2003 on our consideration of the Town of Port Barre'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 Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

183 South Beadle
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
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Fax (337) 639-4568

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The required supplementary information on pages 36 through 39 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Port Barre's basic financial statements. The other supplementary information on pages 40 through 55 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town of Port Barre, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the basic financial statements.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 19, 2003

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Assets

September 30, 2003

With Comparative Totals for September 30, 2002

	2003			2002 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 436,836	\$ 283,026	\$ 719,862	\$ 931,856
Receivables, net	29,159	71,335	100,494	102,500
Internal balances	(15,574)	15,574	-	-
Due from other governmental units	2,415	-	2,415	9,214
Total current assets	<u>452,836</u>	<u>369,935</u>	<u>822,771</u>	<u>1,043,570</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	122,652	122,652	117,040
Capital assets, net	<u>1,044,809</u>	<u>4,683,658</u>	<u>5,728,467</u>	<u>5,848,122</u>
Total noncurrent assets	<u>1,044,809</u>	<u>4,806,310</u>	<u>5,851,119</u>	<u>5,965,162</u>
Total assets	<u>1,497,645</u>	<u>5,176,245</u>	<u>6,673,890</u>	<u>7,008,732</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	11,806	24,737	36,543	18,080
Revenue bonds	65,000	20,609	85,609	80,275
Accrued interest	<u>19,528</u>	<u>3,306</u>	<u>22,834</u>	<u>24,385</u>
Total current liabilities	<u>96,334</u>	<u>48,652</u>	<u>144,986</u>	<u>122,740</u>
Noncurrent liabilities:				
Customers' deposits	-	48,924	48,924	46,511
Bonds and certificates payable	<u>775,000</u>	<u>629,797</u>	<u>1,404,797</u>	<u>1,488,646</u>
Total noncurrent liabilities	<u>775,000</u>	<u>678,721</u>	<u>1,453,721</u>	<u>1,535,157</u>
Total liabilities	<u>871,334</u>	<u>727,373</u>	<u>1,598,707</u>	<u>1,657,897</u>
NET ASSETS				
Invested in capital assets, net of related debt	204,809	4,053,861	4,258,670	4,299,476
Restricted for debt service	215,101	49,813	264,914	245,135
Unrestricted	<u>206,401</u>	<u>345,198</u>	<u>551,599</u>	<u>806,224</u>
Total net assets	<u>\$ 626,311</u>	<u>\$4,448,872</u>	<u>\$5,075,183</u>	<u>\$5,350,835</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF PORT BARRE, LOUISIANA

Statement of Activities
For the Year Ended September 30, 2003

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 163,039	\$ 54,919	\$ -	\$ -	\$ (108,120)	\$ -	\$ (108,120)
Public safety:							
Police	598,177	186,986	22,041	3,373	(385,777)	-	(385,777)
Streets	170,821	-	-	-	(170,821)	-	(170,821)
Culture and recreation	10,635	-	-	-	(10,635)	-	(10,635)
Interest on long-term debt	52,736	-	-	-	(52,736)	-	(52,736)
Total governmental activities	995,408	241,905	22,041	3,373	(728,089)	-	(728,089)
Business-type activities:							
Gas	290,217	271,233	-	-	-	(18,984)	(18,984)
Water	215,124	226,886	-	-	-	11,762	11,762
Sewerage	298,592	215,665	-	-	-	(82,927)	(82,927)
Total business-type activities	803,933	713,784	-	-	-	(90,149)	(90,149)
Total	\$ 2,603,274	\$ 1,669,473	\$ 22,041	\$ 3,373	(728,089)	(90,149)	(818,238)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					60,199	-	60,199
Sales and use taxes, levied for general purposes					314,902	-	314,902
Franchise taxes					83,922	-	83,922
Grants and contributions not restricted to specific programs -							
Local sources					1,627	-	1,627
State sources					38,244	-	38,244
Interest and investment earnings					1,206	2,275	3,481
Miscellaneous					40,211	-	40,211
Transfers					132,591	(132,591)	-
Total general revenues and transfers					672,902	(130,316)	542,586
Change in net assets					(55,187)	(220,465)	(275,652)
Net assets - October 1, 2002					681,498	4,669,337	5,350,835
Net assets - September 30, 2003					\$ 626,311	\$ 4,448,872	\$ 5,075,183

The accompanying notes are an integral part of the basic financial statements

FUND FINANCIAL STATEMENTS (FFS)

TOWN OF PORT BARRE, LOUISIANA

Balance Sheet
Governmental Funds
September 30, 2003

With Comparative Totals for September 30, 2002

	General	1966		1996		1996 Sales		Street Improvement Bonds		Totals	
		Sales Tax Special Revenue	Sales Tax Special Revenue	Sales Tax Special Revenue	Tax Bonds and Certificates of Indebtedness Debt Service	01/01/87	2003	2002			
ASSETS											
Cash and interest-bearing deposits	\$ 69,889	\$ 87,898	\$ 51,523	\$ 132,019	\$ 95,507	\$ 436,836	\$ 553,681				
Receivables:											
Taxes	27,013	-	-	-	196	27,209	22,885				
Other	1,950	-	-	-	-	1,950	10,590				
Due from other funds	6,274	762	29,763	3,000	3,907	43,706	47,390				
Due from other governmental units	2,415	-	-	-	-	2,415	9,214				
Total assets	<u>\$ 107,541</u>	<u>\$ 88,660</u>	<u>\$ 81,286</u>	<u>\$ 135,019</u>	<u>\$ 99,610</u>	<u>\$ 512,116</u>	<u>\$ 643,760</u>				

LIABILITIES AND FUND BALANCES

Liabilities:											
Accounts payable	\$ 9,100	\$ 2,321	\$ -	\$ -	\$ -	\$ 11,421	\$ 2,292				
Accrued liabilities	385	-	-	-	-	385	902				
Due to other funds	20,243	36,037	3,000	-	-	59,280	66,071				
Total liabilities	<u>29,728</u>	<u>38,358</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>71,086</u>	<u>69,265</u>				
Fund balances -											
Reserved for debt service	-	-	-	135,019	99,610	234,629	219,266				
Unreserved	77,813	50,302	78,286	-	-	206,401	355,229				
Total fund balances	<u>77,813</u>	<u>50,302</u>	<u>78,286</u>	<u>135,019</u>	<u>99,610</u>	<u>441,030</u>	<u>574,495</u>				
Total liabilities and fund balances	<u>\$ 107,541</u>	<u>\$ 88,660</u>	<u>\$ 81,286</u>	<u>\$ 135,019</u>	<u>\$ 99,610</u>	<u>\$ 512,116</u>	<u>\$ 643,760</u>				

The accompanying notes are an integral part of the basic financial statements.

TOWN OF PORT BARRE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
September 30, 2003

Total fund balances for governmental funds at September 30, 2003		\$ 441,030
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 86,425	
Buildings, net of \$567,213 accumulated depreciation	546,178	
Infrastructure, net of \$427,564 accumulated depreciation	329,284	
Equipment net of \$96,231 accumulated depreciation	<u>82,922</u>	1,044,809
Long-term liabilities at September 30, 2003		
Bonds payable at September 30, 2003	(840,000)	
Accrued interest	<u>(19,528)</u>	<u>(859,528)</u>
Total net assets of governmental activities at September 30, 2003		<u>\$ 626,311</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF PORT BARRE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds

For the Year Ended September 30, 2003
With Comparative Actual Amounts for the Year Ended September 30, 2002

	General	1966		1996		1996 Sales		Street Improvement Bonds 01/01/87	Totals	
		Sales Tax Special Revenue	Sales Tax Special Revenue	Sales Tax Special Revenue	Sales Tax Special Revenue	Tax Bonds and Certificates of Indebtedness Debt Service	2003		2002	
Revenues:										
Taxes	\$119,085	\$141,935	\$172,967	\$ -	\$ 25,036	\$ 459,023	\$ 470,522			
Licenses and permits	54,919	-	-	-	-	54,919	54,535			
Intergovernmental	65,285	-	-	-	-	65,285	73,650			
Fines and forfeits	186,986	-	-	-	-	186,986	183,495			
Miscellaneous	40,211	-	269	-	21	41,417	65,334			
Total revenues	<u>466,486</u>	<u>141,935</u>	<u>173,236</u>	<u>916</u>	<u>25,057</u>	<u>807,630</u>	<u>847,536</u>			
Expenditures:										
Current -										
General government	100,149	8,435	6,905	-	-	115,489	101,445			
Public safety:										
Police	587,509	-	-	-	-	587,509	374,098			
Highways and streets	-	153,797	-	-	-	153,797	134,427			
Culture and recreation	12,359	3,996	-	-	-	16,355	8,054			
Debt service -										
Principal	-	-	-	55,000	5,000	60,000	60,000			
Interest and fiscal charges	-	-	-	49,170	4,873	54,043	57,176			
Capital outlay	41,794	44,699	-	-	-	86,493	26,580			
Total expenditures	<u>741,811</u>	<u>210,927</u>	<u>6,905</u>	<u>104,170</u>	<u>9,873</u>	<u>1,073,686</u>	<u>761,780</u>			
Excess (deficiency) of revenues over expenditures	<u>(275,325)</u>	<u>(68,992)</u>	<u>166,331</u>	<u>(103,254)</u>	<u>15,184</u>	<u>(266,056)</u>	<u>85,756</u>			
Other financing sources (uses):										
Transfers in	200,591	130,000	-	103,433	-	434,024	208,032			
Transfers out	-	(68,000)	(233,433)	-	-	(301,433)	(226,120)			
Total other financing sources (uses)	<u>200,591</u>	<u>62,000</u>	<u>(233,433)</u>	<u>103,433</u>	<u>-</u>	<u>132,591</u>	<u>(18,088)</u>			
Net changes in fund balances	<u>(74,734)</u>	<u>(6,992)</u>	<u>(67,102)</u>	<u>179</u>	<u>15,184</u>	<u>(133,465)</u>	<u>67,668</u>			
Fund balances, beginning	<u>152,547</u>	<u>57,294</u>	<u>145,388</u>	<u>134,840</u>	<u>84,426</u>	<u>574,495</u>	<u>506,827</u>			
Fund balances, ending	<u>\$ 77,813</u>	<u>\$ 50,302</u>	<u>\$ 78,286</u>	<u>\$ 135,019</u>	<u>\$ 99,610</u>	<u>\$ 441,030</u>	<u>\$ 574,495</u>			

The accompanying notes are an integral part of the basic financial statements.

TOWN OF PORT BARRE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2003

Total net changes in fund balances at September 30, 2003 per
Statement of Revenues, Expenditures and Changes in Fund Balances \$ (133,465)

The change in net assets reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 86,493	
Depreciation expense for the year ended September 30, 2003	<u>(69,522)</u>	16,971

Governmental funds report bonded debt repayments as expenditures.
However, this expenditure does not appear in the statement of activities
since the payment is applied against the bond payable on the statement
of net assets

60,000

Difference between interest on long-term debt on modified accrual basis
versus interest on long-term debt on accrual basis

1,307

Total changes in net assets at September 30, 2003 per Statement of Activities \$ (55,187)

The accompanying notes are an integral part of the basic financial statements.

TOWN OF PORT BARRE, LOUISIANA

Comparative Statement of Net Assets
Proprietary Fund
September 30, 2003 and 2002

	2003	2002
ASSETS		
Current assets:		
Cash	\$ 97,195	\$ 193,945
Interest-bearing deposits, at cost	185,831	184,230
Receivables:		
Accounts receivable	71,335	69,025
Due from other funds	16,284	18,681
Total current assets	370,645	465,881
Noncurrent assets:		
Restricted assets:		
Cash	84,895	79,956
Interest -bearing deposits, at cost	37,757	37,084
Capital assets:		
Land	15,292	15,292
Other capital assets, net of accumulated depreciation	4,668,366	4,804,992
Total noncurrent assets	4,806,310	4,937,324
Total assets	5,176,955	5,403,205
LIABILITIES		
Current liabilities:		
Accounts payable	24,543	13,747
Other liabilities	194	1,139
Due to other funds	710	-
Payable from restricted assets -		
Revenue bonds	20,609	20,275
Accrued interest	3,306	3,550
Customers' deposits	48,924	46,511
Total current liabilities	98,286	85,222
Noncurrent liabilities:		
Revenue bonds and notes payable	629,797	648,646
Total liabilities	728,083	733,868
NET ASSETS		
Invested in capital assets, net of related debt	4,053,861	4,171,638
Restricted for debt service	49,813	46,704
Unrestricted	345,198	450,995
Total net assets	\$4,448,872	\$4,669,337

The accompanying notes are an integral part of the basic financial statements.

TOWN OF PORT BARRE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets -
Proprietary Fund
For the Years Ended September 30, 2003 and 2002

	2003	2002
Operating revenues:		
Charges for services -		
Gas charges	\$ 264,988	\$ 241,090
Water sales	216,025	202,090
Sewer service charges	208,820	206,488
Connection charges	3,634	5,250
Miscellaneous	20,317	16,022
Total operating revenues	713,784	670,940
Operating expenses:		
Gas department	280,630	196,995
Water department	202,340	193,583
Sewerage department	289,005	252,743
Total operating expenses	771,975	643,321
Operating income (loss)	(58,191)	27,619
Nonoperating revenues (expenses):		
Interest income	2,275	3,897
Interest expense	(31,958)	(33,012)
Total nonoperating revenues (expenses)	(29,683)	(29,115)
Loss before contributions and transfers	(87,874)	(1,496)
Capital contributions	-	78,137
Transfers in (out):		
Transfers in	68,000	58,088
Transfers out	(200,591)	(40,000)
Total transfers in (out)	(132,591)	18,088
Change in net assets	(220,465)	94,729
Net assets, beginning	4,669,337	4,574,608
Net assets, ending	\$ 4,448,872	\$ 4,669,337

The accompanying notes are an integral part of the basic financial statements.

TOWN OF PORT BARRE, LOUISIANA

Comparative Statement of Cash Flows
 Proprietary Fund
 For the Years Ended September 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Receipts from customers	\$ 711,103	\$ 684,869
Payments to suppliers	(509,195)	(442,577)
Payments to employees	(135,119)	(108,425)
Other receipts	<u>20,317</u>	<u>16,022</u>
Net cash provided by operating activities	<u>87,106</u>	<u>149,889</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	3,107	46,500
Operating transfers from other funds	68,000	58,088
Operating transfers to other funds	<u>(200,591)</u>	<u>(40,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(129,484)</u>	<u>64,588</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bond maturities	(20,275)	(19,955)
Interest and fiscal charges paid on revenue bonds	(31,572)	(32,542)
Net increase in meter deposits	2,413	2,551
Acquisition of property, plant and equipment	-	(87,967)
Proceeds from state grant	-	18,750
Proceeds from federal grant	<u>-</u>	<u>59,387</u>
Net cash used by capital and related financing activities	<u>(49,434)</u>	<u>(59,776)</u>
Cash flows from investing activities:		
Purchase of interest-bearing deposits	(133,856)	(131,968)
Maturities of interest-bearing deposits	131,968	20,812
Interest on investments	<u>2,275</u>	<u>3,897</u>
Net cash provided (used) by investing activities	<u>387</u>	<u>(107,259)</u>
Net increase (decrease) in cash and cash equivalents	(91,425)	47,442
Cash and cash equivalents, beginning of period	<u>363,247</u>	<u>315,805</u>
Cash and cash equivalents, end of period	<u>\$ 271,822</u>	<u>\$ 363,247</u>

(continued)

TOWN OF PORT BARRE, LOUISIANA

Comparative Statement of Cash Flows
 Proprietary Fund - (Continued)
 For the Years Ended September 30, 2003 and 2002

	2003	2002
Reconciliation of operating loss to net cash used by operating activities:		
Operating income (loss)	\$ (58,191)	\$ 27,619
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Increase (decrease) in provision for uncollectible accounts	1,777	(1,482)
Depreciation	136,626	122,031
Amortization of bond issue costs	1,130	1,130
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	(4,087)	2,805
Increase (decrease) in accounts payable	10,796	(2,068)
Decrease in other liabilities	(945)	(146)
Net cash provided by operating activities	\$ 87,106	\$ 149,889
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	193,945	10,764
Interest-bearing deposits - unrestricted	184,230	214,532
Cash - restricted	79,956	75,187
Interest-bearing deposits - restricted	37,084	36,134
Less: Interest-bearing deposits with a maturity over three months	(131,968)	(20,812)
Total cash and cash equivalents	363,247	315,805
Cash and cash equivalents, end of period -		
Cash - unrestricted	97,195	193,945
Interest-bearing deposits - unrestricted	185,831	184,230
Cash - restricted	84,895	79,956
Interest-bearing deposits - restricted	37,757	37,084
Less: Interest-bearing deposits with a maturity over three months	(133,856)	(131,968)
Total cash and cash equivalents	271,822	363,247
Net increase (decrease)	\$ (91,425)	\$ 47,442

The accompanying notes are an integral part of the basic financial statements.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Port Barre (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A Financial Reporting Entity

The Town of Port Barre was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

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

There are no component units over which the Town exercises significant influence.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type: and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All funds of the Town are considered to be major funds and are described below:

Governmental Funds -

General Fund

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

Special Revenue Funds

1966 Sales Tax Fund -

The 1966 Sales Tax Fund is used to account for the receipt and use of sales and use tax that is legally restricted to expenditures for specific purposes.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

1999 Sales Tax Fund –

The 1999 Sales Tax Fund is used to account for the proceeds of a half percent sales and use tax that is legally restricted to expenditures for specific purposes.

Debt Service Funds

1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund -

This fund is used to accumulate monies for payment of \$200,000 Certificates of Indebtedness and \$900,000 Sales Tax Bonds. Debt service is financed from a 1.2% sales and use tax.

Street Improvement Bonds 01/01/87 –

This fund is used to accumulate monies for payment of the \$125,000 Public Improvement serial bonds. Debt service is financed by specified ad valorem tax.

Proprietary Fund -

Enterprise Fund

Enterprise funds are used to account for operations (a) that 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 that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town of Port Barre's enterprise fund is the Utility Fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

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

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$83,918 and \$82,141 at September 30, 2003 and 2002, respectively. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to October 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5-15 years
Utility system and improvements	4-50 years
Infrastructure	20-40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate dependent upon number of years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. Therefore, no liability has been recorded in the accounts as of September 30, 2003.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales Tax	See Note 3
Water and Sewer Revenue	Debt Service and Utility Operations

The Town uses unrestricted resources only when restricted resources are fully depleted.

G. Budget and Budgetary Accounting

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

1. Prior to September 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. 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.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

H. Capitalization of Interest Expense

It is the policy of the Town of Port Barre to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At September 30, 2003, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Bond Discount and Bond Issue Costs

Bond discount and bond issue costs are being amortized by the straight-line method over the life of the related bond.

J. 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 expenditures during the reporting period. Actual results could differ from those estimates.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(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 September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Landry Parish. Town property tax revenues are budgeted in the year billed.

For the year ended September 30, 2003, taxes of 12.25 mills were levied on property with assessed valuations totaling \$4,792,740 and were dedicated as follows:

General corporate purposes	7.12 mills
Debt service	5.13 mills

Total taxes levied were \$58,711. Taxes receivable (including interest and penalties receivable) at September 30, 2003 consisted of the following:

Total receivable	\$ 6,622
Allowance for uncollectibles	<u>6,156</u>
Net receivable	<u>\$ 466</u>

(3) Dedication and Restriction of Proceeds and Flow of Funds - Sales and Use Taxes

The Town levies two sales taxes as follows:

- A. Proceeds of a 1966 1% sales and use tax levied by the Town of Port Barre (2003 collections \$141,935; 2002 \$151,135) is dedicated for constructing, acquiring, extending, improving and/or maintaining drainage facilities, sewers and sewerage disposal works, streets, sidewalks, waterworks, and garbage collection and disposal facilities of the Town, including the purchase of equipment therefor.

Under the terms of the bond resolution, the proceeds of the special 1% sales and use tax are deposited with the Town's fiscal agent bank in a sales tax fund. After the payment of all reasonable and necessary costs and expenses of collecting the tax, \$1,000 is retained in the sales tax fund for operating expenses.

Any monies remaining in the sales tax fund on the 20th day of each month in excess of the \$1,000 are to be retained for operating capital shall be considered as surplus. The Town may use such surplus for any of the purposes for which the imposition of the tax is authorized.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- B. Proceeds of a 1996 1.2% sales and use tax levied by the Town of Port Barre (2003 collections \$172,967; 2002 \$184,721) is dedicated for constructing, maintaining and improving public streets.

Under the terms of the bond resolution, each month, there will be set aside into an account called the "Sales Tax Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. 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. There shall also be set aside into a "Sales Tax Bond Reserve Fund" an initial deposit of \$79,425, thus accumulating in the reserve account an amount equal to the lesser of the highest combined principal and interest requirements in any succeeding fiscal year. Such amounts may be used only for the payment of maturing bonds and interest on the aforesaid bonds for which sufficient funds are not on deposit in the Revenue Bond Sinking Fund and as to which there would otherwise be default.

(4) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2003, the Town had cash and interest-bearing deposits (book balances) totaling \$842,514 as follows:

Demand deposits	\$ 488,987
Money market accounts	104,657
Time deposits	<u>248,870</u>
Total	<u>\$ 842,514</u>

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

Deposit balances (bank balances) at September 30, 2002 were secured as follows:

Bank balances	<u>\$ 849,288</u>
Federal deposit insurance	\$ 573,237
Pledged securities (Category 3)	<u>276,051</u>
Total FDIC insurance and pledged securities	<u>\$ 849,288</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Pledged securities in Category 3 include uninsured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

(5) Receivables

Receivables at September 30, 2003 of \$100,494 consist of the following:

	<u>General</u>	<u>Street Improvement Bonds 01/01/87</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ 71,335	\$ 71,335
Taxes:				
Ad valorem taxes	270	196	-	466
Sales taxes	-	-	-	-
Franchise taxes	26,743	-	-	26,743
Other (rent)	<u>1,950</u>	<u>-</u>	<u>-</u>	<u>1,950</u>
Totals	<u>\$28,963</u>	<u>\$ 196</u>	<u>\$ 71,335</u>	<u>\$100,494</u>

(6) Due from Other Governmental Units

The amount due from other governmental units at September 30, 2003 consisted of \$2,415 owed from the State of Louisiana for video poker revenue earned during the fiscal year ending September 30, 2003.

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at September 30, 2003:

Revenue bond and interest sinking account	\$ 19,575
Revenue bond reserve account	20,144
Revenue bond contingency account	34,009
Customers' deposits	<u>48,924</u>
Total restricted assets	<u>\$122,652</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended September 30, 2003 was as follows:

	Balance 10/01/02	Additions	Deletions	Balance 09/30/03
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 86,425	\$ -	\$ -	\$ 86,425
Other capital assets:				
Buildings	1,113,391	-	-	1,113,391
Infrastructure	721,749	35,099	-	756,848
Equipment	157,463	51,394	29,704	179,153
Totals	<u>2,079,028</u>	<u>86,493</u>	<u>29,704</u>	<u>2,135,817</u>
Less accumulated depreciation:				
Buildings	539,378	27,835	-	567,213
Infrastructure	409,448	18,116	-	427,564
Equipment	102,364	23,571	29,704	96,231
Total accumulated depreciation	<u>1,051,190</u>	<u>69,522</u>	<u>29,704</u>	<u>1,091,008</u>
Governmental activities, capital assets, net	<u>\$1,027,838</u>	<u>\$ 16,971</u>	<u>\$ -</u>	<u>\$1,044,809</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 15,292	\$ -	\$ -	\$ 15,292
Other capital assets:				
Gas system	789,697	-	-	789,697
Water system	1,172,912	-	-	1,172,912
Sewer system	4,747,197	-	-	4,747,197
Machinery and equipment	92,354	-	-	92,354
Totals	<u>6,817,452</u>	<u>-</u>	<u>-</u>	<u>6,817,452</u>
Less accumulated depreciation:				
Gas system	475,211	10,990	-	486,201
Water system	514,092	20,524	-	534,616
Sewer system	927,512	99,531	-	1,027,043
Machinery and equipment	80,353	5,581	-	85,934
Total accumulated depreciation	<u>1,997,168</u>	<u>136,626</u>	<u>-</u>	<u>2,133,794</u>
Business-type activities, capital assets, net	<u>\$4,820,284</u>	<u>\$ (136,626)</u>	<u>\$ -</u>	<u>\$4,683,658</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 40,003
Police	10,668
Streets	17,024
Culture and recreation	<u>1,827</u>
Total depreciation expense	<u>\$ 69,522</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 16,571
Water	20,524
Sewer	<u>99,531</u>
Total depreciation expense	<u>\$136,626</u>

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at September 30, 2003:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 11,421	\$ 24,543	\$ 35,964
Other liabilities	<u>385</u>	<u>194</u>	<u>579</u>
Totals	<u>\$ 11,806</u>	<u>\$ 24,737</u>	<u>\$ 36,543</u>

(10) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2003:

	Governmental Activities	Business-type Activities	Total
Long-term bonds payable, October 1, 2002	\$ 900,000	\$ 702,006	\$1,602,006
Long-term bonds issued	-	-	-
Long-term bonds retired	<u>(60,000)</u>	<u>(20,275)</u>	<u>(80,275)</u>
Long-term bonds payable, September 30, 2003	<u>\$ 840,000</u>	<u>\$ 681,731</u>	<u>\$1,521,731</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term debt payable at September 30, 2003 is comprised of the following individual issues:

General obligation bonds and certificates of indebtedness:

\$125,000 Street Improvement bonds dated 1/1/87; due in annual installments of \$5,000 to \$10,000 through January 1, 2011; interest at 7.3 to 7.4 percent; secured by levy and collection of ad valorem taxes	\$ 50,000
\$900,000 Sales Tax Bonds, Series 1996; due in annual installments of \$35,000 to \$75,000 through May 1, 2017; interest at 5.0 to 5.9 percent; secured by a dedicated 1.2% sales tax	715,000
\$200,000 Certificates of Indebtedness, Series 1996, due in annual installments of \$25,000 through May 1, 2006; interest at 5.5 percent; secured by a dedicated 1.2% sales tax	<u>75,000</u>
General obligation bonds payable	<u>\$ 840,000</u>

Revenue bonds:

\$103,000 Utility Revenue Bonds, Series 1998 dated 11/30/98 due in annual installments of \$13,000 to \$16,000 through December 1, 2006; interest at 5.0 percent	\$ 58,000
Less: Unamortized bond issuance costs	(1,184)
Unamortized loss on early retirement of debt	<u>(4,410)</u>
Net water revenue bonds payable	<u>52,406</u>
\$652,000 Sewer revenue bonds dated 07/01/98 due in monthly installments of \$2,960 beginning August 1, 1999 through July 1, 2038; interest rate at 4.5 percent	623,731
Less: Unamortized bond issuance costs	<u>(25,731)</u>
Net sewer revenue bonds payable	<u>598,000</u>
Total net utility revenue bonds payable	<u>\$ 650,406</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The bonds are due as follows:

Year ending June 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal payments</u>	<u>Interest payments</u>	<u>Principal payments</u>	<u>Interest payments</u>
2004	65,000	48,158	20,609	30,487
2005	65,000	44,668	20,958	29,488
2006	65,000	41,140	24,324	28,397
2007	45,000	37,575	24,706	27,215
2008	45,000	35,085	9,106	26,415
2009-2013	285,000	129,875	52,204	125,401
2014-2018	270,000	41,270	65,349	112,256
2019-2023	-	-	81,803	95,802
2024-2028	-	-	102,401	75,204
2029-2033	-	-	128,185	49,420
2034-2038	-	-	152,086	17,173
Total	<u>\$ 840,000</u>	<u>\$ 377,771</u>	<u>\$ 681,731</u>	<u>\$ 617,258</u>

(11) Flow of Funds; Restrictions on Use - Utilities Revenues

A. Under the terms of the bond indenture on outstanding Utility Revenue Refunding Bonds, Series 1999, dated November 30, 1999, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. 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.

There shall also be set aside into a "Bond Reserve Fund" the initial sum of \$10,000. The money in the Reserve Fund shall be retained solely for the purpose of paying the principal and interest on the bonds payable from the Sinking Fund as to which there would otherwise be default.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

There shall also be set aside into a "Renewal and Replacement Fund" the initial sum of \$25,000. Thereafter, each month, a sum at least equal to 5% of the gross revenues of the Utilities System Fund for the preceding month shall be deposited into this fund, provided that such sum is available after provision is made for the funds required to pay all reasonable expenses of administration, operation and maintenance of the utility system and the funds required by the Sinking Fund and Reserve Fund. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense, provided that there remains at least \$20,000 on deposit for emergency repairs. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

(12) Employee Retirement

All Town of Port Barre employees participate in the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Town, 7.65% by the employee). The Town's contribution during the years ended September 30, 2003, 2002 and 2001 amounted to \$47,630, \$38,876, and \$39,465, respectively.

(13) Natural Gas Contract

The Town entered into a gas purchase contract with Cypress Gas Pipeline Company with an initial term of January 1, 1992 to January 1, 1996 with provisions to continue beyond January 1, 1996 on a year-to-year basis until either party request termination of the contract. The terms of the contract require the Town to purchase all of its natural gas requirements from Cypress Gas Pipeline Company. During the year ended September 30, 2003, the Town purchased natural gas from Cypress Gas Pipeline Company in the amount of \$171,257. At September 30, 2003, the Town owed \$6,766 for natural gas purchases for the month of September 2003.

(14) Lease Agreement

During July 1999, the Town leased a building to Port Barre Apparel. The lease has a five-year term with the option to lease the property for an additional five-year term. Rent in the amount of \$2,500 is due on the first day of each month. During the fiscal year ended September 30, 2000, the lessee filed for bankruptcy, and therefore, discontinued the lease payments in May 2000. During the fiscal year ended September 30, 2001, Hibernia Bank began paying the lease payments until the date of the sheriff's sale, which was held during the fiscal year ended 2003. Total lease payments in the amount of \$8,750 and \$30,000 were received and recorded in the General Fund for the fiscal years ended September 30, 2003 and 2002, respectively.

TOWN OF PORT BARRE, LOUISIANA
Notes to Basic Financial Statements (Continued)

(15) Segment Information for the Enterprise Fund

The Town of Port Barre maintains one enterprise fund with three departments that provide gas, water, and sewerage services. Segment information for the year ended September 30, 2003, was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$271,233</u>	<u>\$226,886</u>	<u>\$ 215,665</u>	<u>\$ 713,784</u>
Operating expenses:				
Depreciation	16,571	20,524	99,531	136,626
Other	<u>264,059</u>	<u>181,816</u>	<u>189,474</u>	<u>635,349</u>
Total operating expenses	<u>280,630</u>	<u>202,340</u>	<u>289,005</u>	<u>771,975</u>
Operating income (loss)	<u>\$ (9,397)</u>	<u>\$ 24,546</u>	<u>\$ (73,340)</u>	<u>\$ (58,191)</u>

(16) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended September 30, 2003 follows:

John Fontenot, Mayor	\$12,000
Aldermen:	
Johnnie Ardoin (January 1, 2003 - September 30, 2003)	3,150
Donald Leblanc (October 1, 2002 - December 31, 2002)	900
Keith Lejeune (October 1, 2002 - December 31, 2002)	900
Richard Mobile (January 1, 2003 - September 30, 2003)	3,150
Polly Pickney	4,050
Gil Savoy, Jr.	4,050
Robert Soileau	<u>4,050</u>
	<u>\$32,250</u>

(17) Risk Management

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(18) Pending Litigation

At September 30, 2003, the Town of Port Barre is involved in several lawsuits. It is the opinion of management and legal counsel that the liability, if any, which might arise from any claims that are not covered by insurance, would not have a material effect on the financial statements.

(19) Prior Year Debt Defeasance

During the fiscal year ended September 30, 1999, the Town issued Utility Revenue Refunding Bonds of \$103,000 to defease the 1986 Utility Revenue Bonds. The proceeds have been used to purchase U.S. Government securities that were placed in a separate irrevocable trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's Enterprise Fund's balance sheet. As of September 30, 2003, the amount of defeased utility revenue debt outstanding but removed from the Enterprise Fund's balance sheet amounted to \$70,000.

(20) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at September 30, 2003:

Due to the General Fund from 1966 Sales Tax Fund for reimbursement for expenditures paid	\$ 6,274
Due to the 1996 Sales Tax Fund from the 1966 Sales Tax Fund for reimbursement for expenditures paid	29,763
Due to the Utility Fund from the General Fund for reimbursement for expenditures paid	16,336
Other balances	<u>7,617</u>
 Total	 <u>\$ 59,990</u>

Summary of balances due from other funds reported in fund financial statements:

Due from other funds, Balance Sheet - Governmental Funds	\$ 43,706
Due from other funds, Statement of Net Assets - Proprietary Funds	<u>16,284</u>
 Total	 <u>\$ 59,990</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Transfers

Transfers consisted of the following at September 30, 2003:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 200,591	\$ -
1966 Sales Tax Special Revenue Fund	130,000	68,000
1996 Sales Tax Special Revenue Fund	-	233,433
1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund	103,433	-
Proprietary Fund:		
Enterprise Fund	<u>68,000</u>	<u>200,591</u>
Total	<u>\$ 502,024</u>	<u>\$ 502,024</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule
Year Ended September 30, 2003

With Comparative Actual Amounts for Year Ended September 30, 2002

	2003			Variance with Final Budget Positive (Negative)	2002 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 100,000	\$ 110,300	\$ 119,085	\$ 8,785	\$ 109,107
Licenses and permits	44,380	54,905	54,919	14	54,535
Intergovernmental	58,041	42,782	65,285	22,503	73,650
Fines and forfeits	172,000	185,000	186,986	1,986	183,495
Miscellaneous	46,900	38,610	40,211	1,601	63,291
Total revenues	<u>421,321</u>	<u>431,597</u>	<u>466,486</u>	<u>34,889</u>	<u>484,078</u>
Expenditures:					
Current -					
General government	92,860	99,475	100,149	(674)	86,194
Public safety - police	404,800	584,670	587,509	(2,839)	374,098
Culture and recreation	6,000	12,550	12,359	191	3,829
Capital outlay	-	40,520	41,794	(1,274)	23,465
Total expenditures	<u>503,660</u>	<u>737,215</u>	<u>741,811</u>	<u>(4,596)</u>	<u>487,586</u>
Deficiency of revenues over expenditures	<u>(82,339)</u>	<u>(305,618)</u>	<u>(275,325)</u>	<u>30,293</u>	<u>(3,508)</u>
Other financing sources (uses):					
Transfers in	70,000	190,000	200,591	10,591	40,000
Transfers out	-	-	-	-	(10,195)
Total other financing sources (uses)	<u>70,000</u>	<u>190,000</u>	<u>200,591</u>	<u>10,591</u>	<u>29,805</u>
Excess (deficiency) of revenues and other financing sources sources over expenditures and other financing uses	(12,339)	(115,618)	(74,734)	40,884	26,297
Fund balance, beginning	<u>152,547</u>	<u>152,547</u>	<u>152,547</u>	<u>-</u>	<u>126,250</u>
Fund balance, ending	<u>\$ 140,208</u>	<u>\$ 36,929</u>	<u>\$ 77,813</u>	<u>\$ 40,884</u>	<u>\$ 152,547</u>

TOWN OF PORT BARRE, LOUISIANA
1966 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003			Variance - Favorable (Unfavorable)	2002 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	<u>\$ 152,000</u>	<u>\$ 143,100</u>	<u>\$ 141,935</u>	<u>\$ (1,165)</u>	<u>\$ 151,135</u>
Expenditures:					
Current -					
General government:					
Professional fees	6,000	4,500	4,970	(470)	5,345
Miscellaneous	<u>2,000</u>	<u>3,545</u>	<u>3,465</u>	<u>80</u>	<u>2,284</u>
Total general government	<u>8,000</u>	<u>8,045</u>	<u>8,435</u>	<u>(390)</u>	<u>7,629</u>
Highways and streets:					
Salaries	89,040	82,000	82,164	(164)	76,675
Electricity for street lights	25,000	23,550	23,564	(14)	23,127
Maintenance and materials	10,000	11,000	13,185	(2,185)	11,068
Street materials and supplies	6,000	12,000	13,421	(1,421)	4,151
Group insurance	11,200	12,885	11,842	1,043	10,892
Payroll taxes	6,812	6,850	6,991	(141)	6,014
Miscellaneous	<u>4,000</u>	<u>2,600</u>	<u>2,630</u>	<u>(30)</u>	<u>2,500</u>
Total highways and streets	<u>152,052</u>	<u>150,885</u>	<u>153,797</u>	<u>(2,912)</u>	<u>134,427</u>
Culture and recreation	<u>7,000</u>	<u>3,600</u>	<u>3,996</u>	<u>(396)</u>	<u>4,225</u>
Capital outlay	<u>-</u>	<u>44,700</u>	<u>44,699</u>	<u>1</u>	<u>3,115</u>
Total expenditures	<u>167,052</u>	<u>207,230</u>	<u>210,927</u>	<u>(3,697)</u>	<u>149,396</u>
Excess (deficiency) of revenues over expenditures	<u>(15,052)</u>	<u>(64,130)</u>	<u>(68,992)</u>	<u>(4,862)</u>	<u>1,739</u>
Other financing sources (uses):					
Transfers in	60,000	130,000	130,000	-	60,195
Transfers out	<u>(50,000)</u>	<u>(68,000)</u>	<u>(68,000)</u>	<u>-</u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>10,000</u>	<u>62,000</u>	<u>62,000</u>	<u>-</u>	<u>10,195</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(5,052)</u>	<u>(2,130)</u>	<u>(6,992)</u>	<u>(4,862)</u>	<u>11,934</u>
Fund balance, beginning	<u>57,294</u>	<u>57,294</u>	<u>57,294</u>	<u>-</u>	<u>45,360</u>
Fund balance, ending	<u>\$ 52,242</u>	<u>\$ 55,164</u>	<u>\$ 50,302</u>	<u>\$ (4,862)</u>	<u>\$ 57,294</u>

TOWN OF PORT BARRE, LOUISIANA
1996 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003			Variance with Final Budget Positive (Negative)	2002 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 185,000	\$ 174,900	\$ 172,967	\$ (1,933)	\$ 184,721
Interest	-	-	269	269	912
Total revenues	<u>\$ 185,000</u>	<u>\$ 174,900</u>	<u>\$ 173,236</u>	<u>\$ (1,664)</u>	<u>\$ 185,633</u>
Expenditures:					
Current -					
General government:					
Professional fees	6,000	5,200	5,175	25	5,775
Miscellaneous	2,500	1,767	1,730	37	1,847
Total general government	<u>8,500</u>	<u>6,967</u>	<u>6,905</u>	<u>62</u>	<u>7,622</u>
Capital outlay	<u>20,000</u>	-	-	-	-
Total expenditures	<u>28,500</u>	<u>6,967</u>	<u>6,905</u>	<u>62</u>	<u>7,622</u>
Excess of revenues over expenditures	<u>156,500</u>	<u>167,933</u>	<u>166,331</u>	<u>(1,602)</u>	<u>178,011</u>
Other financing uses:					
Transfer to 1966 Sales Tax Fund	(60,000)	(130,000)	(130,000)	-	(50,000)
Transfer to 1996 Sales Tax Bond Debt Service Fund	(103,437)	(103,433)	(103,433)	-	(107,837)
Transfer to Utility Fund	-	-	-	-	(8,088)
Total other financing uses	<u>(163,437)</u>	<u>(233,433)</u>	<u>(233,433)</u>	<u>-</u>	<u>(165,925)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	(6,937)	(65,500)	(67,102)	(1,602)	12,086
Fund balance, beginning	<u>145,388</u>	<u>145,388</u>	<u>145,388</u>	-	<u>133,302</u>
Fund balance, ending	<u>\$ 138,451</u>	<u>\$ 79,888</u>	<u>\$ 78,286</u>	<u>\$ (1,602)</u>	<u>\$ 145,388</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Compariosn Schedule - Revenues
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Taxes:				
Ad valorem	\$ 34,300	\$ 34,774	\$ 474	\$ 36,470
Interest and penalties on taxes	-	389	389	79
Franchise -				
Electric and cable TV	<u>76,000</u>	<u>83,922</u>	<u>7,922</u>	<u>72,558</u>
Total taxes	<u>110,300</u>	<u>119,085</u>	<u>8,785</u>	<u>109,107</u>
Licenses and permits:				
Occupational licenses	49,230	49,244	14	48,395
Liquor licenses	5,675	5,675	-	6,105
Building permits	-	-	-	35
Total licenses and permits	<u>54,905</u>	<u>54,919</u>	<u>14</u>	<u>54,535</u>
Intergovernmental:				
United States Department of Justice -				
COPS Fast grant	-	22,041	22,041	30,080
State of Louisiana -				
Beer taxes	9,335	9,171	(164)	8,594
Video poker	28,450	29,073	623	22,419
State grants	3,370	3,373	3	10,790
St. Landry Parish Housing Authority	<u>1,627</u>	<u>1,627</u>	<u>-</u>	<u>1,767</u>
Total intergovernmental	<u>42,782</u>	<u>65,285</u>	<u>22,503</u>	<u>73,650</u>
Fines and forfeits	<u>185,000</u>	<u>186,986</u>	<u>1,986</u>	<u>183,495</u>
Miscellaneous:				
Donations	6,000	6,000	-	-
Rent	19,970	19,970	-	41,220
Parks and recreation	3,900	4,695	795	5,655
Sale of equipment	8,540	8,539	(1)	870
Unemployment tax rebate	-	-	-	14,670
Other	<u>200</u>	<u>1,007</u>	<u>807</u>	<u>876</u>
Total miscellaneous	<u>38,610</u>	<u>40,211</u>	<u>1,601</u>	<u>63,291</u>
Total revenues	<u>\$ 431,597</u>	<u>\$ 466,486</u>	<u>\$ 34,889</u>	<u>\$ 484,078</u>

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Current:				
General government -				
Advertising	\$ 1,200	\$ 1,427	\$ (227)	\$ 1,164
Dues and subscriptions	3,000	2,746	254	1,223
Insurance	1,680	1,948	(268)	2,117
Legal fees	1,700	1,700	-	1,200
Mayor's allowance	6,000	6,000	-	6,000
Medical and drug testing	-	960	(960)	705
Miscellaneous	3,450	3,377	73	1,863
Office supplies	300	295	5	321
Payroll taxes	2,355	2,467	(112)	2,352
Professional fees	28,900	26,671	2,229	16,945
Salaries - mayor and council	30,750	32,250	(1,500)	30,750
Salaries - other	-	-	-	7,521
Travel and meetings	9,800	9,725	75	5,324
Preparation of tax roll	2,970	2,970	-	2,729
Coroner's fees	400	650	(250)	300
Electricity	6,970	6,963	7	5,680
Total general government	<u>99,475</u>	<u>100,149</u>	<u>(674)</u>	<u>86,194</u>
Public safety - police -				
Feeding prisoners	10,000	11,211	(1,211)	1,752
Insurance	7,840	9,089	(1,249)	10,583
Insurance deductible	30,000	31,222	(1,222)	-
Group insurance	44,400	40,242	4,158	34,465
Miscellaneous	10,640	7,150	3,490	4,095
Police car expense	48,000	55,868	(7,868)	33,178
Salaries	346,870	339,765	7,105	245,751
Payroll taxes	29,205	29,249	(44)	22,594
Supplies	24,100	29,014	(4,914)	8,284
Repairs and maintenance	4,550	5,218	(668)	1,807
Uniforms	13,305	13,807	(502)	1,543
Training academy	890	890	-	-
Travel	660	825	(165)	1,532
Telephone	6,665	7,237	(572)	5,538
Electricity	3,720	3,745	(25)	2,569
Medical and drug testing	3,825	2,977	848	407
Total public safety	<u>584,670</u>	<u>587,509</u>	<u>(2,839)</u>	<u>374,098</u>

(continued)

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
Year Ended September 30, 2003
With Comparative Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Culture and recreation -				
Salaries	7,550	7,547	3	-
Park expenses	3,300	3,272	28	2,250
Electricity for parks	1,700	1,540	160	1,579
Total culture and recreation	<u>12,550</u>	<u>12,359</u>	<u>191</u>	<u>3,829</u>
Capital outlay:				
General government -				
Equipment	16,000	10,000	6,000	-
Public safety -				
Automobiles	19,320	26,600	(7,280)	13,560
Equipment	5,200	5,194	6	9,905
Total capital outlay	<u>40,520</u>	<u>41,794</u>	<u>(1,274)</u>	<u>23,465</u>
Total expenditures	<u>\$ 737,215</u>	<u>\$ 741,811</u>	<u>\$ (4,596)</u>	<u>\$ 487,586</u>

TOWN OF PORT BARRE, LOUISIANA
1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund

Budgetary Comparison Schedule
Year Ended September 30, 2003
With Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Miscellaneous -				
Interest on deposits	915	916	1	1,100
Total revenues	<u>915</u>	<u>916</u>	<u>1</u>	<u>1,100</u>
Expenditures:				
Debt service -				
Principal retirement	55,000	55,000	-	55,000
Interest	47,570	47,570	-	50,475
Paying agents' fees	1,600	1,600	-	1,466
Total debt service	<u>104,170</u>	<u>104,170</u>	<u>-</u>	<u>106,941</u>
Deficiency of revenues over expenditures	(103,255)	(103,254)	1	(105,841)
Other financing sources:				
Transfers from 1996 Sales Tax Fund	<u>103,433</u>	<u>103,433</u>	<u>-</u>	<u>107,837</u>
Excess of revenues and other financing sources over expenditures	178	179	1	1,996
Fund balance, beginning	<u>134,840</u>	<u>134,840</u>	<u>-</u>	<u>132,844</u>
Fund balance, ending	<u>\$ 135,018</u>	<u>\$ 135,019</u>	<u>\$ 1</u>	<u>\$ 134,840</u>

TOWN OF PORT BARRE, LOUISIANA
Street Improvement Bond 01/01/87 Debt Service Fund

Budgetary Comparison Schedule
Year Ended September 30, 2003
With Actual Amounts for Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Ad valorem	\$24,500	\$24,754	\$ 254	\$25,502
Interest and penalties on taxes	50	282	232	57
Total taxes	24,550	25,036	486	25,559
Miscellaneous -				
Interest on deposits	20	21	1	31
Total revenues	24,570	25,057	487	25,590
Expenditures:				
Debt service -				
Principal retirement	5,000	5,000	-	5,000
Interest	3,873	3,873	-	4,235
Paying agents' fees	1,000	1,000	-	1,000
Total expenditures	9,873	9,873	-	10,235
Excess of revenues over expenditures	14,697	15,184	487	15,355
Fund balances, beginning	84,426	84,426	-	69,071
Fund balances, ending	\$99,123	\$99,610	\$ 487	\$84,426

TOWN OF PORT BARRE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
September 30, 2003

Records maintained by the Town indicated the following number of customers were being served during the month of September, 2003 and 2002:

<u>Department</u>	<u>2003</u>	<u>2002</u>
Gas (metered)	622	617
Water (metered)	1181	1148
Sewerage	758	763

TOWN OF PORT BARRE, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
September 30, 2003

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation - Employer's liability	\$ 100,000
Surety Bonds -	
Town clerk	36,000
Assistant town clerk	36,000
Town Treasurer	5,000
Blanket bond	5,000
General liability -	
Each occurrence	500,000
Aggregate	2,000,000
Property coverage -	
Fire and light, extended coverage, vandalism and malicious mischief	505,052
Equipment breakdown coverage	675,700
Public official errors and omissions	
Each wrongful act	500,000
Aggregate	1,000,000
Police professional liability -	
Each occurrence	2,000,000
Aggregate	2,000,000
Automobile liability coverage	500,000

TOWN OF PORT BARRE, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds
September 30, 2003

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
General Fund:				
Certificate of deposit	(A)	12/08/03	0.90%	<u>41,022</u>
Debt Service Funds:				
Street Improvement Bonds Fund - savings account	(A)	N/A	Variable	1,937
1996 Sales Tax Bonds Fund - savings account	(A)	N/A	Variable	<u>86,980</u>
Total debt service funds				<u>88,917</u>
Utility Fund:				
Unrestricted assets -				
Certificate of deposit	(A)	12/13/03	0.50%	20,192
Certificate of deposit	(A)	12/13/03	0.50%	53,800
Certificate of deposit	(A)	12/13/03	0.90%	111,839
Restricted assets -				
Certificate of deposit	(S)	01/16/04	2.25%	22,017
Savings accounts	(A)	N/A	Variable	<u>15,740</u>
Total Utility Fund				<u>223,588</u>
Total - all funds				<u>\$353,527</u>

Investments with:

(A) American Bank and Trust, Opelousas, Louisiana

(S) St. Landry Homestead, Opelousas, Louisiana

TOWN OF PORT BARRE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended September 30, 2003 and 2002

	Totals		Gas	
	2003	2002	2003	2002
Operating revenues:				
Charges for services -				
User charges	\$ 689,833	\$ 649,668	\$ 264,988	\$ 241,090
Connection charges	3,634	5,250	150	150
Miscellaneous	20,317	16,022	6,095	5,930
Total operating revenues	<u>713,784</u>	<u>670,940</u>	<u>271,233</u>	<u>247,170</u>
Operating expenses:				
Professional fees	12,605	11,790	-	-
Engineering fees	1,825	7,387	1,200	1,200
Depreciation	136,626	122,031	16,571	20,632
Electricity	68,736	63,092	-	-
Natural gas purchased	171,257	88,831	171,257	88,831
Insurance	54,536	63,808	11,686	13,405
Group insurance	16,620	13,405	4,155	3,351
Office supplies and expense	16,301	13,869	-	-
Operative maintenance and supplies	55,586	56,685	10,440	12,638
Payroll taxes	9,771	7,892	2,907	2,124
Salaries	125,348	100,533	35,497	26,553
Contract labor	18,289	15,600	-	-
Truck expenses	8,149	4,687	-	-
Water and sewer chemicals	47,260	49,744	-	-
Travel and meetings	-	-	-	-
Telephone	6,758	6,165	2,668	2,511
Bad debts expense (recoveries)	1,777	(3,440)	686	(1,280)
Uniforms	2,952	1,329	-	-
Miscellaneous	17,579	19,913	4,259	9,792
Allocation of general and administrative expense	-	-	19,304	17,238
Total operating expenses	<u>771,975</u>	<u>643,321</u>	<u>280,630</u>	<u>196,995</u>
Operating income (loss)	<u>(58,191)</u>	<u>27,619</u>	<u>\$ (9,397)</u>	<u>\$ 50,175</u>
Nonoperating revenues (expenses):				
Interest income	2,275	3,897		
Interest and fiscal charges	(31,958)	(33,012)		
Total nonoperating revenues (expenses)	<u>(29,683)</u>	<u>(29,115)</u>		
Loss before contributions and transfers	<u>(87,874)</u>	<u>(1,496)</u>		
Capital contributions	-	78,137		
Transfers in (out):				
Transfers in	68,000	58,088		
Transfers out	(200,591)	(40,000)		
Total transfers in (out)	<u>(132,591)</u>	<u>18,088</u>		
Change in net assets	(220,465)	94,729		
Net assets, beginning	<u>4,669,337</u>	<u>4,574,608</u>		
Net assets, ending	<u>\$ 4,448,872</u>	<u>\$ 4,669,337</u>		

Water		Sewerage		General and Administrative	
2003	2002	2003	2002	2003	2002
\$ 216,025	\$ 202,090	\$ 208,820	\$ 206,488	\$ -	\$ -
2,734	4,950	750	150	-	-
8,127	4,964	6,095	5,128	-	-
<u>226,886</u>	<u>212,004</u>	<u>215,665</u>	<u>211,766</u>	-	-
-	-	-	-	12,605	11,790
-	-	625	6,187	-	-
20,524	22,186	99,531	79,213	-	-
17,561	17,205	48,187	41,839	2,988	4,048
-	-	-	-	-	-
18,179	21,166	13,634	16,227	11,037	13,010
7,479	6,032	4,986	4,022	-	-
-	-	-	-	16,301	13,869
8,968	15,412	30,819	25,281	5,359	3,354
4,068	3,461	2,796	2,307	-	-
53,245	44,388	36,606	29,592	-	-
-	-	18,289	15,600	-	-
-	-	-	-	8,149	4,687
40,926	39,993	6,334	9,751	-	-
-	-	-	-	-	-
2,056	1,833	2,034	1,821	-	-
552	(1,076)	539	(1,084)	-	-
-	-	-	-	2,952	1,329
3,045	-	5,321	4,749	4,954	5,372
<u>25,737</u>	<u>22,983</u>	<u>19,304</u>	<u>17,238</u>	<u>(64,345)</u>	<u>(57,459)</u>
<u>202,340</u>	<u>193,583</u>	<u>289,005</u>	<u>252,743</u>	-	-
<u>\$ 24,546</u>	<u>\$ 18,421</u>	<u>\$ (73,340)</u>	<u>\$ (40,977)</u>	<u>\$ -</u>	<u>\$ -</u>

**COMPLIANCE, INTERNAL CONTROL,
AND
OTHER GRANT INFORMATION**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

WEB SITE:
WWW.KCSRPCAS.COM

Allen J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA
Robert S. Carter, CPA
Daniel W. Alexander, CPA

MEMBER OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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

* A Professional Accounting Corporation

The Honorable John Fontenot, Mayor
and Members of the Board of Aldermen
Town of Port Barre, Louisiana

We have audited the financial statements of the Town of Port Barre, Louisiana (the Town) as of and for the year ended September 30, 2003, and have issued our report thereon dated December 19, 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 Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town'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 not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable 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 Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 03-1(IC).

183 South Beadle
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

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 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 condition described above is a material weakness.

We also noted other matters involving the internal control over financial reporting that we have reported to management of the Town in a separate letter dated December 19, 2003.

This report is intended for the information of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. Although the intended use of this report maybe limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 19, 2003

TOWN OF PORT BARRE

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
September 30, 2003

<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (09/30/03) --					
<u>Internal Control:</u>					
03-1(IC) Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Toria Comeaux, Town Clerk	N/A
<u>Management Letter:</u>					
03-2(ML) 2000	During the fiscal year ended September 30, 2003, the Utility Fund Sewerage Department experienced an operating loss of \$73,340. Additionally, the gas department realized a loss of \$9,397. The Town should consider increasing sewerage and gas rates and/or decreasing expenses in order for these departments to operate on a profitable basis.	Partial	Town officials will review current sewerage and gas rates to determine whether rate increases are required and will closely scrutinize department expenses to determine where reductions can be made. These procedures should enable the sewerage and gas departments to operate on a profitable basis in the future.	Toria Comeaux, Town Clerk	Immediately
PRIOR YEAR (09/30/02) --					
<u>Internal Control:</u>					
02-2(IC) Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Toria Comeaux, Town Clerk	N/A
<u>Management Letter:</u>					
02-2(ML) 2000	During the fiscal year ended September 30, 2002, the Utility Fund Sewerage Department experienced an operating loss of \$40,977. The Town should consider increasing sewerage rates and/or decreasing expenses in order for the department to operate on a profitable basis.	Partial	Town officials will review current sewerage rates to determine whether a rate increase is required and will closely scrutinize department expenses to determine where reductions can be made. These procedures should enable the sewerage department to operate on a profitable basis.	Toria Comeaux, Town Clerk	6/30/2003