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CITY OF ST. MARTINVILLE
St. Martinville, Louisiana

Financial Report

Year Ended June 30, 2003

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Release Date 11.12.03

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

The Honorable Eric Martin, Mayor
and Members of the City Council
City of St. Martinville, Louisiana

We have audited the accompanying general purpose financial statements of the City of St. Martinville, Louisiana, as of and for the year ended June 30, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of St. Martinville, Louisiana's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. 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 the City of St. Martinville, Louisiana, as of June 30, 2003, and the results of its operations and the 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.

In accordance with Government Auditing Standards, we have also issued our report dated August 21, 2003, on our consideration of the City of St. Martinville, Louisiana'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.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information (pp. 30-62) is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of St. Martinville, Louisiana. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133,

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Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the general-purpose financial statements of the City of St. Martinville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole, except that information as to the number of utility customers presented on page 62 is based on unaudited data obtained from the City's records, on which we express no opinion.

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 general purpose financial statements of the City.

Kolder, Champagne, Slaven & Company, LLC

Certified Public Accountants

Breaux Bridge, Louisiana
August 21, 2003

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

CITY OF ST. MARTINVILLE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 2003

	Governmental Fund Types				Proprietary Fund Type		Account Groups			Totals (Memorandum Only) 2002
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	General Fixed Assets	General		2003	
							Long-term Debt	2002		
Cash	\$ 102,212	\$ 152,470	\$ 29,356	\$ 1,090	\$ 98,657	\$ -	\$ -	\$ -	\$ 383,785	\$ 332,166
Interest-bearing deposits	159,481	17	468,879	-	211,166	-	-	-	839,543	833,848
Receivables:										
Ad valorem taxes receivable	632	-	1,323	-	-	-	-	-	1,955	1,975
Accounts receivable - billed utilities	-	-	-	-	628,949	-	-	-	628,949	578,216
Sales tax receivable	-	48,607	-	-	-	-	-	-	48,607	52,944
Unbilled utilities	-	-	-	-	351,345	-	-	-	351,345	460,996
Due from other funds	58,865	125,000	-	14,575	17,399	-	-	-	215,839	254,484
Due from governmental agencies	86,786	-	-	-	-	-	-	-	86,786	83,205
Other	-	121	2,317	-	10,317	-	-	-	12,755	34,102
Inventories	-	-	-	-	237,371	-	-	-	237,371	208,284
Prepaid items	24,172	-	-	-	36,270	-	-	-	60,442	61,042
Restricted assets:										
Cash	-	-	-	-	179,463	-	-	-	179,463	193,703
Interest-bearing deposits	-	-	-	-	422,296	-	-	-	422,296	421,790
Land and improvements	-	-	-	-	-	306,837	-	-	306,837	306,837
Buildings and improvements	-	-	-	-	-	6,928,709	-	-	6,928,709	6,928,709
Automobiles, trucks, and tractors	-	-	-	-	-	116,554	-	-	116,554	154,113
Furniture, fixtures, and equipment	-	-	-	-	-	529,198	-	-	529,198	594,640
Equipment held under capital leases	-	-	-	-	-	329,597	-	-	329,597	349,741
Utility property, plant and equipment	-	-	-	-	15,008,102	-	-	-	15,008,102	14,474,077
Accumulated depreciation	-	-	-	-	(7,107,121)	-	-	-	(7,107,121)	(6,750,041)
Amount available in debt service fund	-	-	-	-	-	-	-	501,875	501,875	456,530
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	-	1,548,470
Amount to be provided for capital lease	-	-	-	-	-	-	-	44,722	44,722	77,590
Total assets	\$ 432,148	\$ 326,215	\$ 501,875	\$ 15,665	\$ 10,094,214	\$ 8,210,895	\$ 1,914,722	\$ 21,495,734	\$ 21,657,421	

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups (Continued)
June 30, 2003

	Governmental Fund Types			Proprietary Fund Type Enterprise	Account Groups		Totals (Memorandum Only) 2003	Totals (Memorandum Only) 2002
	General	Special Revenue	Debt Service		General Fixed Assets	General Long-term Debt		
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$ 107,095	\$ -	\$ -	\$ 711,410	\$ -	\$ -	\$ 818,505	\$ 969,284
Retainage payable	28,167	-	-	-	-	-	28,167	28,167
Other accrued liabilities	47,364	-	-	93,468	-	-	140,832	208,435
Payable from restricted assets -								
Revenue bonds	-	-	-	125,000	-	-	125,000	120,000
Accrued interest	-	-	-	11,638	-	-	11,638	12,617
Customers' deposits	-	-	-	250,728	-	-	250,728	237,915
Due to other funds	22,699	9,548	-	183,592	-	-	215,839	254,484
Deferred revenue	-	19,020	-	-	-	-	19,020	17,113
General obligation bonds payable	-	-	-	-	1,840,000	-	1,840,000	1,980,000
Revenue bonds payable	-	-	-	1,300,000	-	-	1,300,000	1,425,000
Obligation on capital lease	-	-	-	-	44,722	-	44,722	77,590
Contingent liability	-	-	-	-	30,000	-	30,000	25,000
Total liabilities	205,325	28,568	-	2,675,836	-	1,914,722	4,824,451	5,355,605
Fund equity:								
Contributed capital	-	-	-	4,130,699	-	-	4,130,699	3,710,485
Investment in general fixed assets	-	-	-	-	7,881,298	-	7,881,298	7,984,299
Investment in general fixed assets under capital leases	-	-	-	-	329,597	-	329,597	349,741
Retained earnings -								
Reserved	-	-	-	214,393	-	-	214,393	100,809
Unreserved	-	-	-	3,073,286	-	-	3,073,286	3,302,742
Total retained earnings	-	-	-	3,287,679	-	-	3,287,679	3,403,551
Fund balances -								
Reserved for prepaid items	24,172	-	-	-	-	-	24,172	24,772
Reserved for debt service	-	-	501,875	-	-	-	501,875	456,530
Reserved for housing purposes	-	33,224	-	-	-	-	33,224	19,060
Unreserved, undesignated	202,651	264,423	-	-	15,665	-	482,739	353,378
Total fund balances	226,823	297,647	501,875	-	15,665	-	1,042,010	853,740
Total fund equity	226,823	297,647	501,875	7,418,378	8,210,895	-	16,671,283	16,301,816
Total liabilities and fund equity	\$ 432,148	\$ 326,215	\$ 501,875	\$ 10,094,214	\$ 8,210,895	\$ 1,914,722	\$ 21,495,734	\$ 21,657,421

The accompanying notes are an integral part of this statement.

CITY OF ST. MARTINVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 2003

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					2003	2002
Revenues:						
Taxes	\$ 78,665	\$ 641,975	\$ 128,827	\$ -	\$ 849,467	\$ 844,627
Licenses and permits	199,472	-	-	-	199,472	225,455
Intergovernmental	603,895	224,310	-	348,586	1,176,791	606,600
Garbage collection fees	298,052	-	-	-	298,052	308,413
Fines, bond forfeits & court costs	38,582	-	-	-	38,582	45,481
Interest	-	1,200	9,568	-	10,768	23,863
Miscellaneous	92,195	-	-	1,000	93,195	98,118
Total revenues	1,310,861	867,485	138,395	349,586	2,666,327	2,152,557
Expenditures:						
Current operating -						
General government	633,223	-	-	-	633,223	619,667
Public safety - police department	931,887	-	-	-	931,887	875,839
Public works - highway & streets	753,988	-	-	-	753,988	524,179
Sanitation & health	304,138	-	-	-	304,138	310,474
Recreation	299,228	-	-	-	299,228	234,750
Tourism	264,877	-	-	-	264,877	304,947
Urban redevelopment and housing	-	210,606	-	-	210,606	223,452
Miscellaneous	-	10,573	-	-	10,573	6,587
Capital outlay	45,192	-	-	334,463	379,655	575,946
Debt service -						
Principal retirement	-	-	140,000	-	140,000	130,000
Interest and fiscal charges	-	-	100,655	-	100,655	107,475
Principal payment on capital lease	32,988	-	-	-	32,988	29,012
Interest on capital lease	3,460	-	-	-	3,460	399
Total expenditures	3,268,981	221,179	240,655	334,463	4,065,278	3,942,727
Excess (deficiency) of revenues over expenditures	(1,958,120)	646,306	(102,260)	15,123	(1,398,951)	(1,790,170)
Other financing sources (uses):						
Operating transfers in	2,062,405	-	147,605	9,275	2,219,285	2,400,790
Operating transfers out	-	(620,329)	-	(11,735)	(632,064)	(864,314)
Proceeds from capital leases	-	-	-	-	-	80,713
Total other financing sources (uses)	2,062,405	(620,329)	147,605	(2,460)	1,587,221	1,617,189
Excess (deficiency) of revenues and other sources over expenditures and other uses	104,285	25,977	45,345	12,663	188,270	(172,981)
Fund balances, beginning	122,538	271,670	456,530	3,002	853,740	1,026,721
Fund balances, ending	\$ 226,823	\$ 297,647	\$ 501,875	\$ 15,665	\$ 1,042,010	\$ 853,740

The accompanying notes are an integral part of this statement.

CITY OF ST MARTINVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual - General, Special Revenue and Debt Service Fund Types
Year Ended June 30, 2003

	General Fund			Special Revenue Fund Types			Debt Service Fund Types		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:									
Taxes	\$ 75,000	\$ 78,665	\$ 3,665	\$ 600,000	\$ 641,975	\$ 41,975	\$ 127,900	\$ 128,827	\$ 927
Licenses and permits	199,000	199,472	472	-	-	-	-	-	-
Intergovernmental	594,369	603,895	9,526	223,000	224,310	1,310	-	-	-
Charges for services	303,552	298,052	(5,500)	-	-	-	-	-	-
Fines bond forfeits & court costs	47,000	38,582	(8,418)	-	-	-	-	-	-
Interest	-	-	-	1,900	1,200	(700)	13,000	9,568	(3,432)
Miscellaneous	107,500	92,195	(15,305)	-	-	-	-	-	-
Total revenues	1,326,421	1,310,861	(15,560)	824,900	867,485	42,585	140,900	138,395	(2,505)
Expenditures:									
Current -									
General government	624,581	633,223	(8,642)	-	-	-	-	-	-
Public safety - police department	927,305	931,887	(4,582)	-	-	-	-	-	-
Public works - highways & streets	747,500	753,988	(6,488)	-	-	-	-	-	-
Sanitation & health	306,700	304,138	2,562	-	-	-	-	-	-
Recreation	266,643	299,228	(32,585)	-	-	-	-	-	-
Tourism	268,914	264,877	4,037	-	-	-	-	-	-
Urban development and housing	-	-	-	222,463	210,606	11,857	-	-	-
Miscellaneous	-	-	-	8,000	10,573	(2,573)	-	-	-
Capital outlay	69,800	45,192	24,608	-	-	-	-	-	-
Debt service -	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	140,000	140,000	-
Interest and fiscal charges	-	-	-	-	-	-	101,340	100,655	685
Principal payment on capital lease	32,988	32,988	-	-	-	-	-	-	-
Interest on capital lease	3,460	3,460	-	-	-	-	-	-	-
Total expenditures	3,247,891	3,268,981	(21,090)	230,463	221,179	9,284	241,340	240,655	685
Excess (deficiency) of revenues over expenditures	(1,921,470)	(1,958,120)	(36,650)	594,437	646,306	51,869	(100,440)	(102,260)	(1,820)

(continued)

CITY OF ST MARTINVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual - General, Special Revenue and Debt Service Fund Types (Continued)
Year Ended June 30, 2003

	General Fund			Special Revenue Fund Types			Debt Service Fund Types		
	Budget	Actual	Variance -	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable (Unfavorable)			Favorable (Unfavorable)			Favorable (Unfavorable)
Other financing sources (uses):									
Operating transfers in	1,924,820	2,062,405	137,585	-	-	-	147,605	147,605	-
Operating transfers out	-	-	-	(618,925)	(620,329)	(1,404)	-	-	-
Total other financing sources (uses)	<u>1,924,820</u>	<u>2,062,405</u>	<u>137,585</u>	<u>(618,925)</u>	<u>(620,329)</u>	<u>(1,404)</u>	<u>147,605</u>	<u>147,605</u>	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,350	104,285	100,935	(24,488)	25,977	50,465	47,165	45,345	(1,820)
Fund balances, beginning	<u>122,538</u>	<u>122,538</u>	-	<u>271,670</u>	<u>271,670</u>	-	<u>456,530</u>	<u>456,530</u>	-
Fund balances, ending	<u>\$ 125,888</u>	<u>\$ 226,823</u>	<u>\$ 100,935</u>	<u>\$ 247,182</u>	<u>\$ 297,647</u>	<u>\$ 50,465</u>	<u>\$ 503,695</u>	<u>\$ 501,875</u>	<u>\$ (1,820)</u>

The accompanying notes are an integral part of this statement.

CITY OF ST. MARTINVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes
in Retained Earnings - Proprietary Fund Type - Enterprise Fund
Years Ended June 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Operating revenues:		
Charges for services -		
Electric sales	\$4,895,508	\$ 4,877,915
Water sales	472,185	484,610
Sewer service charges	397,981	412,528
Delinquent charges	76,858	81,567
Tap and reconnection fees	27,378	23,931
Lease revenue	590,348	150,000
Grant revenue	39,788	-
Miscellaneous	32,029	116,418
Total operating revenues	<u>6,532,075</u>	<u>6,146,969</u>
Operating expenses:		
Electric department expenses	3,431,033	3,127,364
Water department expenses	315,870	310,753
Sewer department expenses	271,656	206,973
General and administrative expenses	626,530	577,239
Depreciation expense	387,656	381,795
Total operating expenses	<u>5,032,745</u>	<u>4,604,124</u>
Operating income	<u>1,499,330</u>	<u>1,542,845</u>
Nonoperating revenues (expenses):		
Interest income	20,307	32,440
Interest expense	(40,999)	(45,386)
Paying agents' fees	(7,725)	(8,300)
Gain (loss) on disposition of assets	436	(1,517)
Total nonoperating expenses	<u>(27,981)</u>	<u>(22,763)</u>
Income before operating transfers	<u>1,471,349</u>	<u>1,520,082</u>
Operating transfers:		
Operating transfers in	227,496	155,492
Operating transfers out	<u>(1,814,717)</u>	<u>(1,691,968)</u>
Total operating transfers	<u>(1,587,221)</u>	<u>(1,536,476)</u>
Net loss	(115,872)	(16,394)
Retained earnings, beginning	<u>3,403,551</u>	<u>3,419,945</u>
Retained earnings, ending	<u>\$3,287,679</u>	<u>\$ 3,403,551</u>

The accompanying notes are an integral part of this statement.

CITY OF ST MARTINVILLE, LOUISIANA

Comparative Statement of Cash Flows
 Proprietary Fund Type - Enterprise Fund
 Years Ended June 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Operating income	\$ 1,499,330	\$ 1,542,845
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	387,656	381,795
Changes in assets and liabilities:		
Decrease in receivables	105,352	148,812
Increase in inventory	(29,087)	(5,452)
Decrease in payables	(149,092)	(262,346)
Increase in customer meter deposits	12,813	1,503
Total adjustments	<u>327,642</u>	<u>264,312</u>
Net cash provided by operating activities	<u>1,826,972</u>	<u>1,807,157</u>
Cash flows from non-capital financing activities:		
Operating transfers out to other funds	(1,814,717)	(1,691,968)
Operating transfers in from other funds	<u>227,496</u>	<u>155,492</u>
Net cash used in non-capital financing activities	<u>(1,587,221)</u>	<u>(1,536,476)</u>
Cash flows from capital and related financing activities:		
Payments made for administrative fees	(7,725)	(8,300)
Payments made for capital purchases	(564,165)	(43,520)
Capital contributed from federal grant	420,214	-
Payments made on DEQ loan	(120,000)	(115,000)
Interest paid on DEQ loan	<u>(40,999)</u>	<u>(45,386)</u>
Net cash used in capital and related financing activities	<u>(312,675)</u>	<u>(212,206)</u>
Cash flows from investing activities:		
Interest earned on investments	20,307	32,440
Maturity of investments	(714,068)	(660,360)
Purchases of investments	<u>801,504</u>	<u>582,584</u>
Net cash provided by (used in) investing activities	<u>107,743</u>	<u>(45,336)</u>
Net increase in cash and cash equivalents	34,819	13,139
Cash and cash equivalents, beginning of year	<u>243,301</u>	<u>230,162</u>
Cash and cash equivalents, end of year	<u>\$ 278,120</u>	<u>\$ 243,301</u>

The accompanying notes are an integral part of this statement.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The City of St. Martinville was incorporated on January 30, 1817. The City operates under the provisions of a special charter dated April 4, 1898 and operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the City of St. Martinville conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the industry audit guide, Audits of State and Local Governmental Units. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the City of St. Martinville executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the City 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.

Based on the foregoing criteria, certain governmental organizations are not part of the City and are thus excluded from the accompanying financial statements. One such organization is the Housing Authority which is directed by an independent board and does not receive any funding, facilities, or direction from the City of St. Martinville.

B. Fund Accounting

The accounts of the City of St. Martinville are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Transactions between funds sometimes result in Interfund receivables and payables, which are not eliminated in the financial statements in this report.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two broad fund categories and five generic fund types as follows:

Governmental Funds -

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs. The Debt Service Fund includes the following bond issues:

Public Improvement Series 1996 10-1-96 - To accumulate monies for payment of the 1996 \$1,375,000 bonds which are serial bonds due in annual installments, plus interest, through maturity in 2009. Debt service is financed by a 1% sales tax.

Public Improvement Series 1997 3-1-97 - To accumulate monies for payment of the 1997 \$1,200,000 bonds which are serial bonds due in annual installments, plus interest, through maturity in 2017. Debt service is financed by the levy of ad valorem tax.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). During year ended June 30, 2003, the Capital Projects Fund was used to account for the improvements funded by the Community Development Block Grant.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The City has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings and streets, but including bridges, sidewalks, and drainage improvements. Interest costs are not capitalized. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group.

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

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation expense was \$387,656 the year ended June 30, 2003. The estimated useful lives are as follows:

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Electric, Sewer & Water Utilities:

Building & Fences	10 - 20 years
Water & Sewer Systems	5 - 50 years
Electric Lines	20 - 50 years
Electric & Water Meters	50 years
Machinery & Equipment	5 - 10 years
Furniture, Fixtures & Equipment	5 - 8 years
Transportation Equipment	2 - 5 years

All fixed assets are stated at historical cost. Donated fixed assets are stated at their estimated fair value on the date donated; donated or estimated assets are immaterial to the financial statements.

D. Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes, fines and forfeitures, and licenses are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Ad valorem taxes are considered "measurable" and are recognized as revenue at the time they are assessed.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt which is recognized when due, and accumulated unpaid vacation and sick pay are not accrued unless retirement is likely to occur within the next fiscal year.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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

E. Budgets and Budgetary Accounting

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

1. The City Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
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 an ordinance 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 the General, Special Revenue, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, was employed by the City as an extension of formal budgetary integration in the funds effective during fiscal year ended June 30, 2003. The City had outstanding encumbrances of approximately \$114,000 at June 30, 2003. The expenditures underlying these encumbrances will be included in the budget for the year ended June 30, 2004.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

G. Interest-bearing Deposits

Interest-bearing deposits, consisting of certificates of deposit, are stated at cost, which approximates market.

H. Cash and Cash Equivalents

For purposes of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

I. Inventories

Inventory of supplies in the proprietary fund is valued at the lower of cost (first-in, first-out) or market.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003 are recorded as prepaid items. The only prepaid item that existed at June 30, 2003 was prepaid insurance.

K. Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility 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. At June 30, 2003, an allowance for ad valorem taxes was considered unnecessary due to the immateriality of uncollected ad valorem taxes. The allowance for uncollectibles for customers' utility receivables was \$39,446 at June 30, 2003.

L. 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 or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

M. 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 City'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 since their inclusion would make the statements unduly complex and difficult to read.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

N. Total Columns on Combined Statements - Overview

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

(2) Cash and Interest-Bearing Deposits

Under state law, the City 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 City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2003, the City has cash and interest-bearing deposits (book balances) totaling \$1,825,087 as follows:

Demand deposits	\$ 563,248
Time deposits	<u>1,261,839</u>
 Total	 <u>\$ 1,825,087</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 June 30, 2003 are secured as follows:

Bank balances	<u>\$ 1,864,902</u>
 Federal deposit insurance	 \$ 461,504
Pledged securities (Category 3)	<u>1,403,398</u>
 Total federal insurance and pledged securities	 <u>\$ 1,864,902</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the City'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 City that the fiscal agent has failed to pay deposited funds upon demand.

(3) Ad Valorem Taxes

For the year ended June 30, 2003, taxes of 12.62 mills were levied on property with assessed valuations totaling \$15,033,405 and were dedicated as follows:

General corporate purposes	4.05 mills
Debt Service	8.57 mills

Total taxes levied were \$189,722. The receivables as of June 30, 2003 were as follows:

General corporate purposes	\$ 632
Debt Service	<u>1,323</u>
	<u>\$ 1,955</u>

Details of the City's tax calendar are as follows:

Levy Date	June 1, 2002
Bill Date	November 1, 2002
Due Date	December 31, 2002
Lien Date	January 1, 2003

(4) Interfund Receivables, Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 58,865	\$ 22,699
Enterprise Fund	17,399	183,592
Capital Projects Fund	14,575	-
Special Revenue Funds:		
Section 8 Fund	-	273
Sales Tax Fund	<u>125,000</u>	<u>9,275</u>
Totals	<u>\$ 215,839</u>	<u>\$ 215,839</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(5) Due from Other Governmental Agencies

Amounts due from other governmental agencies consisted of the following:

Beer and video poker taxes	
due from the State of Louisiana	\$ 31,441
Payment in lieu of taxes	18,331
Highway and street maintenance	3,348
FEMA	<u>33,666</u>
Total	<u>\$ 86,786</u>

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at June 30:

	<u>2003</u>	<u>2002</u>
Cash:		
Customers' Deposit	\$ 40,181	\$ 30,367
EPA Sewer Reserve	2,929	6,488
Water Reserve	66,744	89,017
1993 Sinking Fund	62,352	61,238
1993 Reserve Fund	1,308	1,298
LCDGB Program	-	88
Retirement Account	<u>5,949</u>	<u>5,207</u>
Total cash	<u>179,463</u>	<u>193,703</u>
Investments:		
Customers' deposits	\$ 211,032	\$ 206,668
Bond reserve account	166,515	171,610
1993 System Renewal	<u>44,749</u>	<u>43,512</u>
Total investments	<u>422,296</u>	<u>421,790</u>
Total Restricted Assets	<u>\$ 601,759</u>	<u>\$ 615,493</u>

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(7) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2003</u>
Land and Improvements	\$ 306,837	\$ -	\$ -	\$ 306,837
Buildings	6,928,709	-	-	6,928,709
Equipment-Vehicles	154,113	-	(37,559)	116,554
Equipment-Other	594,640	44,339	(109,781)	529,198
Equipment-Capital leases	<u>349,741</u>	<u>-</u>	<u>(20,144)</u>	<u>329,597</u>
	<u>\$ 8,334,040</u>	<u>\$ 44,339</u>	<u>\$ (167,484)</u>	<u>\$ 8,210,895</u>

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

Electric, Sewer & Water Utilities:

Land	\$ 199,182
Building and Fences	1,039,491
Water and Sewer Systems	11,151,524
Electric Lines	1,721,801
Electric and Water Meters	314,197
Machinery and Equipment	119,031
Furniture, Fixtures and Equipment	26,505
Transportation Equipment	361,432
Construction in Progress	<u>20,939</u>
Total	\$ 14,954,102
Assets held under capital lease	54,000
Less: Accumulated depreciation	<u>(7,107,121)</u>
Net	<u>\$ 7,900,981</u>

Accumulated depreciation on assets held under capital lease was \$54,000 at June 30, 2003.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(8) Changes in Long-term Debt

The following is a summary of bond transactions of the City of St. Martinville for the year ended June 30, 2003 (all bonds are serial bonds):

General Obligation Bonds:	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
Bonds payable, July 1, 2002	\$ 1,980,000	\$ 1,545,000	\$ 3,525,000
Bonds issued	-	-	-
Bonds retired	<u>(140,000)</u>	<u>(120,000)</u>	<u>(260,000)</u>
Bonds payable, June 30, 2003	<u>\$ 1,840,000</u>	<u>\$ 1,425,000</u>	<u>\$ 3,265,000</u>

The general obligation bonds are payable from the debt service fund, while the revenue bonds are payable from the enterprise fund.

Bonds payable at June 30, 2003, are comprised of the following individual issues:

General Obligation Bonds:

\$1,375,000 Public Improvement Bonds
Series 1996 dated 10-1-96; due in
annual installments of \$75,000 -
\$145,000 through October 1, 2009;
interest at 5.00 - 8.00 percent and
secured by sales taxes.

\$ 860,000

\$1,200,000 General Obligations Bond
Series 1997 dated 3-1-97; due in annual
installments of \$30,000 - \$100,000
through March 1, 2017; interest at
.25 - 5.20 percent and secured by
levy and collection of ad valorem
taxes.

980,000

Total

\$ 1,840,000

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Revenue Bonds:

\$2,395,682 Utilities Revenue

Bonds dated 9-21-93 due in annual installments of \$95,000 - \$160,000 through March 1, 2013; interest at 2.45 percent and secured by revenues of the water and light plant.

\$ 1,425,000

The annual requirement to amortize all debt outstanding as of June 30, 2003, including interest payments of \$800,595 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
2004	\$ 243,370	\$ 159,912	\$ 403,282
2005	245,905	161,850	407,755
2006	242,835	158,665	401,500
2007	243,460	160,480	403,940
2008	247,810	162,173	409,983
2009 - 2013	797,650	822,085	1,619,735
2014 - 2017	<u>419,400</u>	<u>-</u>	<u>419,400</u>
Total	<u>\$ 2,440,430</u>	<u>\$ 1,625,165</u>	<u>\$ 4,065,595</u>

(9) Dedication of Proceeds and Flow of Funds - 1% Sales and Use Tax

On June 28, 1975, the voters in the City of St. Martinville approved a one percent (1%) sales and use tax. The proceeds of this tax are to be used (after paying reasonable and necessary costs and expenses of collecting and administering the tax) for the purpose of constructing and acquiring capital improvements to the waterworks system of the City and for the purpose of establishing, acquiring, constructing, operating and maintaining solid waste disposal facilities, sewers and sewerage disposal work, drains and drainage facilities, and streets, sidewalks and bridges, including the necessary land, equipment and furnishings there of, or for any one or more of said purposes, said tax to be subject to funding into bonds by the City for the purpose of making capital improvements to the extent and in the manner permitted by the laws of Louisiana.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The proceeds of the one percent (1%) sales and use tax of \$646,312 are pledged to retire the public improvement bonds dated October 1, 1996, shown in Note 8.

The Sales Tax Fund is to collect the proceeds of the sales tax and pay all reasonable and necessary costs and expenses of collecting the tax.

After payment of such costs and expenses, all money in the fund in excess of ten thousand dollars (\$10,000) is to be administered and used as follows:

- A. The establishment and maintenance of the Sales Tax Bond Sinking Fund sufficient in amount to pay the principal and interest on the bonds issued. The Sales Tax Fund is to transfer on or before the 20th day of each month a sum equal to one-sixth (1/6) of the interest falling due on the next interest payment date and a sum equal to one-twelfth (1/12) of the principal falling due on the next principal payment date.
- B. The establishment and maintenance of the Sales Tax Bond Reserve Fund by transferring to the regularly designated fiscal agent immediately upon delivery of the Bonds from the proceeds thereof the sum of one hundred thirty-seven thousand five hundred dollars (\$137,500). This payment will equal the Reserve Fund requirement.

For the year ended June 30, 2003, the transfers from the Sales Tax Fund to the Sales Tax Sinking Fund and Sales Tax Bond Reserve Fund were adequate. The minimum balance required for the Sales Tax Bond Reserve Fund is \$137,500. The balance in the investment account as of June 30, 2003, was \$139,772, which exceeds the minimum balance by \$2,272.

General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General Obligation Bonds require the City to compute, at the time other taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) funds to pay interest and principal at maturity. The City is in compliance with this requirement.

Revenues are partially pledged to retire the general obligation bonds dated March 1, 1997, shown in Note 8.

The bond indenture on the 1997 issue of general obligation bonds requires that the proceeds of the aforesaid special tax be deposited into a Sinking fund, for the payment of the principal and the interest on the Bonds.

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

The revenues of the water and light plant are partially pledged to retire the utilities revenue bonds dated September 21, 1993 shown in Note 8. Bonds outstanding at June 30, 2003, amounted to \$1,425,000. The accrued interest on the bonds at June 30, 2003 amounted to \$11,638. Unmatured interest coupons at June 30, 2003, amounted to \$200,165.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The bond indenture on the 1993 issue of Revenue Bonds requires that a sum of money be deposited monthly into a bank account called 1993 Utilities Revenue Bond Sinking Fund in an amount that will be sufficient to retire the next payment of principal and/or interest. For the year ended June 30, 2003, the transfers from the Water and Light Plant Fund to the Sinking Fund were adequate. The Water and Light Plant Fund is required to transfer monthly to the 1993 Utilities Revenue Bond Debt Service Reserve Fund twenty-five percent (25%) of the required monthly payment to the Sinking Fund until the Reserve Fund has accumulated a sufficient balance to pay the highest principal and interest due within any one year which is \$166,232. The Reserve Fund had a balance of \$166,515 at June 30, 2003. The Water and Light Plant Fund is required to transfer to the 1993 Utilities System Renewal and Replacement Fund, on a monthly basis, a sum equal to five percent (5%) of the net revenues for the preceding month provided such sum is available after the transfers are made to the Sinking Fund and the Reserve Fund. The required maximum amount to be accumulated is \$75,000 and the Renewal and Replacement Fund had a balance of \$44,749 at June 30, 2003.

The bond agreement stipulates that the City must establish utility rates sufficient to pay reasonable and necessary expenses of operating and maintaining the utility system, provide net revenues in an amount equal to 125% of the required deposits to the Sinking Fund for the fiscal year and to pay all other prior bond obligations. The City has complied with said requirement.

(11) Pension Plans

Eligible employees of the City participate in two multiple-employer public employee retirement systems (PERS) which are controlled and administered by two separate boards of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Benefits under each system are established and amended by state statutes. Pertinent information for each system follows:

A. Municipal Employee's Retirement System

Plan members are required to contribute 5.0% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 6.25% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2003, 2002 and 2001 were \$62,756, \$45,082 and \$43,277, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Employee's Retirement System, 7937 Office Park Blvd., Baton Rouge, Louisiana, 70809.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

B. Municipal Police Employee's Retirement System

Plan members are required to contribute 7.5% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 9.0% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2003, 2002 and 2001 were \$11,298, \$11,235, and \$8,268, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Police Employee's Retirement System, P.O. Box 94095 - Capital Station, Baton Rouge, Louisiana 70804-9095.

(12) Accumulated Unpaid Vacation and Sick Pay

Employees earn ten to thirty-five days of sick leave and vacation days depending on length of employment. The vacation days cannot be carried over from year to year but the sick pay days can. Neither can be received in cash in lieu of taking the days. If an employee quits he forfeits all accumulated days. If an employee retires he forfeits the vacation days only. Because no employees are expected to retire within the next fiscal year, no accrual was recorded.

(13) Commitments and Contingencies

A. The City is a defendant in various lawsuits. Two lawsuits were determined to be probable and have been recorded as contingent liabilities in the amount of \$30,000 in the General Long Term Debt Account Group. On all other cases, management believes that there is a remote chance of the City suffering monetary loss or that there is adequate insurance coverage. On cases occurring during periods when the City was self-insured, management believes there will be no liabilities incurred by the City.

B. The City is involved in litigation with the Environmental Protection Agency (EPA) for violation of the City's discharge permit related to their water treatment plant. At June 30, 2003, it is possible that the City may be required to pay fines and/or penalties in the range of \$200,000 to \$400,000. Because of the uncertainty of the amount, if any, that the City will be obligated to pay, no liability has been recorded for this at June 30, 2003.

(14) Lease Obligation

During the year ended June 30, 1998, the City entered into a capital lease for the purchase of a street sweeper. The final payment was made in January 2003, at which time the asset became the property of the City. During year ended June 30, 2000, the City entered into a capital lease for the purchase of two police vehicles. As of June 30, 2002 the lease was fully paid. During year ended June 30, 2002, the City entered into two (dump truck and police vehicles) new capital leases. The

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

dump truck lease is for a total principal balance of \$38,810, of which \$15,563 has been paid, leaving a remaining principal balance of \$23,247 at June 30, 2003. This lease is payable in annual installments of \$8,562 (including interest). The final payment, at which time the asset will become the property of the City, is due January of 2006. The lease for the police vehicles is for a principal balance of \$41,904 with interest at a rate of 5.3%. As of June 30, 2003, \$20,429 has been paid on the police vehicles, leaving a remaining principal balance of \$21,475. The lease is payable in monthly installments of \$1,844 (including interest). The final payment, at which time the asset will become the property of the City, is due June of 2004.

The assets (the street sweeper, police vehicles and dump truck) are shown in the General Fixed Assets Account Group.

Future minimum rental payments (including interest) are as follows:

2004	\$ 30,690
2005	8,562
2006	<u>8,562</u>
 Total	 <u>\$ 47,814</u>

15) Interfund Transfers

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 2,062,405	\$ -
Special Revenue Funds		
Sales Tax Fund	-	620,329
Debt Service Fund	147,605	-
Capital Projects Fund	9,275	11,735
Enterprise Fund	<u>227,496</u>	<u>1,814,717</u>
 Totals	 <u>\$ 2,446,781</u>	 <u>\$ 2,446,781</u>

16) Contracts

The City purchased power during 2003 in the amount of \$3,136,703 from Cleco of which \$658,858 was owed for the entire months of May and June 2003, which is included in accounts payable.

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

In October of 1999, the City entered into a long term contract with CLECO for electric service. The contract allows CLECO to operate and maintain a substation owned by the City commencing on the effective date of the agreement. The total contract is for \$1,800,000, of which \$590,348 was received in fiscal year ended June 30, 2003. The total amount received to date is \$1,390,348. Payments of \$150,000 (which represents both principal and interest) will be collected each year for the next three years. Additional monies (in addition to the scheduled amount of \$150,000) were received this fiscal year to help the City pay their outstanding Cleco invoices for power purchases. At the end of the contract, the City will collect the outstanding balance of the contract of approximately \$400,000.

(17) Compensation of City Officials

A detail of compensation paid to the Mayor and City Council for the year ended June 30, 2003 follows:

Eric Martin, Mayor	<u>\$ 43,433</u>
Councilmen:	
Mike Fuselier	\$ 7,200
Pat Martin	7,200
Romanus "Ike" Robertson	7,200
Murphy Simon	7,200
Pamela Thibodeaux	<u>7,200</u>
	<u>\$ 36,000</u>

(18) Segment Information for the Enterprise Fund

The City of St. Martinville maintains one enterprise fund with three departments which provide electric, water, and sewerage services. Segment information for the year ended June 30, 2003 was as follows:

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$ 5,641,344	\$ 483,344	\$ 407,387	\$ 6,532,075
Operating expenses:				
Depreciation	77,531	135,680	174,445	387,656
Other	3,963,006	367,180	314,903	4,645,089
Total operating expenses	4,040,537	502,860	489,348	5,032,745
Operating income (loss)	\$ 1,600,807	\$ (19,516)	\$ (81,961)	\$ 1,499,330

(19) Risk Management

The City is exposed to risks of loss in the areas of health care, general and auto liability, property hazards, and workers' compensation. Health care risk was handled by a self-insurance health plan until February 28, 2002 which is explained in the following paragraphs. The other risks are handled by purchasing commercial insurance. Health care risk is now also handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year, nor have insurance settlements exceeded insurance coverage in the current or preceding two years.

The City established a limited risk management program for group hospitalization insurance. The City hired Benesys, Inc. as administrator for this program. This plan provided employee health benefits up to a maximum of \$1,000,000 per employee in a lifetime. The City purchased commercial insurance for individual claims in excess of \$30,000.

The General Fund and the Utility Fund of the City recognize the assets, liabilities, revenues and expenditures of the group hospitalization insurance plan. The claims liability of \$2,654 reported in the fund at June 30, 2003, is based on the loss that is probable to have existed at the date of the financial statements. The City currently does not discount its claims liabilities.

A reconciliation of changes in liabilities as they relate to the group health insurance plan is as follows:

	<u>Benefit Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Payments and Claims</u>	<u>Balance at Fiscal Year-End</u>
Group hospitalization				
2001-2002	\$ 199,704	\$ 124,733	\$ 287,903	\$ 36,534
2002-2003	36,534	-	33,880	2,654

CITY OF ST. MARTINVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Claims payable for group hospitalization of \$2,654 at June 30, 2003, which is included in other accrued liabilities, was determined as follows:

	<u>Amount</u>
1. Claims incurred prior to June 30, 2003 and paid subsequently	
a. June 30, 2003 claims payment checks held as of June 30, 2003	\$ -
b. Paid as of July 31, 2003	-
2. Claims incurred prior to June 30, 2003, but unpaid as of July 31, 2003	2,654
3. Provision for claims incurred but not reported	<u>-</u>
Total claims payable	<u>\$ 2,654</u>

(20) On-behalf Payments

The City has recognized \$55,380 as a revenue and an expenditure for on-behalf salary payments made by the state of Louisiana.

(21) New Reporting Standard

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes 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 City of St. Martinville is required to implement this standard for the fiscal year ending June 30, 2004. The City has not yet determined the full impact that adoption of GASB Statement 34 will have on the financial statements.

SUPPLEMENTAL INFORMATION

SCHEDULES OF SELECTED INDIVIDUAL FUNDS

GENERAL FUND

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

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Comparative Balance Sheet
June 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
ASSETS		
Cash	\$ 102,212	\$ 92,195
Interest bearing deposits	159,481	152,536
Ad valorem taxes receivable	632	638
Due from other funds	58,865	58,865
Due from governmental agencies	86,786	83,205
Stop loss receivable	-	12,991
Prepaid items	<u>24,172</u>	<u>24,772</u>
Total assets	<u>\$ 432,148</u>	<u>\$ 425,202</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 107,095	\$ 131,284
Accrued payroll taxes payable	5,515	30,221
Salaries payable	23,037	18,156
Municipal Employees' Retirement System	17,485	15,225
Due to other funds	22,699	61,344
Retainage payable	28,167	28,167
Insurance payable	<u>1,327</u>	<u>18,267</u>
Total liabilities	<u>205,325</u>	<u>302,664</u>
Fund balance :		
Reserved for prepaid items	24,172	24,772
Unreserved, undesignated	<u>202,651</u>	<u>97,766</u>
Total fund balance	<u>226,823</u>	<u>122,538</u>
Total liabilities and fund balance	<u>\$ 432,148</u>	<u>\$ 425,202</u>

CITY OF ST. MARTINVILLE, 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 (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 75,000	\$ 78,665	\$ 3,665	\$ 72,819
Licenses and permits	199,000	199,472	472	225,455
Intergovernmental and franchise taxes	594,369	603,895	9,526	324,729
Charges for services	303,552	298,052	(5,500)	308,413
Court fines, bond forfeits and court costs	47,000	38,582	(8,418)	45,481
Miscellaneous	<u>107,500</u>	<u>92,195</u>	<u>(15,305)</u>	<u>98,118</u>
Total revenues	<u>1,326,421</u>	<u>1,310,861</u>	<u>(15,560)</u>	<u>1,075,015</u>
Expenditures:				
Current -				
General government (administration)	624,581	633,223	(8,642)	619,667
Public safety -				
Police department	927,305	931,887	(4,582)	875,839
Public works -				
Highway and streets department	747,500	753,988	(6,488)	524,179
Sanitation and health department	306,700	304,138	2,562	310,474
Recreation	266,643	299,228	(32,585)	234,750
Tourism	268,914	264,877	4,037	304,947
Capital outlay	69,800	45,192	24,608	493,495
Debt service -				
Principal payments on capital lease	32,988	32,988	-	29,012
Interest on capital lease	<u>3,460</u>	<u>3,460</u>	<u>-</u>	<u>399</u>
Total expenditures	<u>3,247,891</u>	<u>3,268,981</u>	<u>(21,090)</u>	<u>3,392,762</u>
Deficiency of revenues over expenditures	<u>(1,921,470)</u>	<u>(1,958,120)</u>	<u>(36,650)</u>	<u>(2,317,747)</u>
Other financing sources (uses):				
Operating transfers from enterprise fund	1,645,000	1,814,717	169,717	1,750,817
Operating transfers from sales tax fund	279,820	247,688	(32,132)	490,283
Operating transfers to capital projects fund	-	-	-	(2,000)
Proceeds from capital leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,713</u>
Total other financing sources	<u>1,924,820</u>	<u>2,062,405</u>	<u>137,585</u>	<u>2,319,813</u>
Excess of revenues and other sources over expenditures	3,350	104,285	100,935	2,066
Fund balance, beginning	<u>122,538</u>	<u>122,538</u>	<u>-</u>	<u>120,472</u>
Fund balance, ending	<u>\$ 125,888</u>	<u>\$ 226,823</u>	<u>\$ 100,935</u>	<u>\$ 122,538</u>

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 2003
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Taxes:				
Ad valorem	\$ 75,000	\$ 78,665	\$ 3,665	\$ 72,819
Licenses and permits:				
Occupational and insurance licenses	184,000	186,480	2,480	211,973
Miscellaneous	13,000	11,690	(1,310)	1,922
Beer and liquor	2,000	1,302	(698)	11,560
	<u>199,000</u>	<u>199,472</u>	<u>472</u>	<u>225,455</u>
Intergovernmental and franchise taxes:				
Beer tax	16,000	14,648	(1,352)	18,749
Gas franchise tax	40,000	37,177	(2,823)	48,044
State contributions-highway	10,877	8,786	(2,091)	10,877
Video poker	105,000	119,550	14,550	102,742
Chain store tax	2,200	2,373	173	2,190
Telecable franchise	9,000	9,742	742	9,279
Federal grant	269,298	285,520	16,222	28,633
State grant	68,614	54,371	(14,243)	8,298
State revenue sharing	18,000	16,348	(1,652)	18,269
Rural development grant	-	-	-	25,998
On-behalf payments	55,380	55,380	-	51,650
	<u>594,369</u>	<u>603,895</u>	<u>9,526</u>	<u>324,729</u>
Charges for services	<u>303,552</u>	<u>298,052</u>	<u>(5,500)</u>	<u>308,413</u>
Fines, bond forfeits and court costs:				
Court fines and court costs	33,000	24,299	(8,701)	31,095
Bond forfeits	14,000	14,283	283	14,386
	<u>47,000</u>	<u>38,582</u>	<u>(8,418)</u>	<u>45,481</u>
Miscellaneous:				
Recreation revenues	22,000	22,202	202	25,608
Other miscellaneous	85,500	69,993	(15,507)	72,510
	<u>107,500</u>	<u>92,195</u>	<u>(15,305)</u>	<u>98,118</u>
Total revenues	<u>\$ 1,326,421</u>	<u>\$ 1,310,861</u>	<u>\$ (15,560)</u>	<u>\$ 1,075,015</u>

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended June 30, 2003
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
General government:				
Administration -				
Advertising and public relations	\$ 200	\$ 2,508	\$ (2,308)	\$ 2,822
Assessor's fees	2,500	2,518	(18)	2,484
Bank service charge	600	852	(252)	658
City celebrations and recreational expense	4,000	4,431	(431)	4,349
Communication expense - telephone and postage	6,000	7,379	(1,379)	6,544
Councilmen - per diem	36,000	36,000	-	35,700
Contributions to governmental agencies				
National guard	600	600	-	600
Parish service center	780	780	-	775
Community Action Agency, Inc.	7,200	-	7,200	7,200
St. Martin Parish Council on Aging	10,000	10,000	-	8,000
SMEDA	15,800	15,800	-	15,796
Other	17,200	14,990	2,210	9,594
Copier and fax machine - fee and supplies	1,400	1,214	186	1,272
Coroner expenses	5,000	100	4,900	4,397
Dues and subscriptions	5,000	4,962	38	4,338
Economic development	-	-	-	2,500
Group insurance	41,723	32,606	9,117	33,984
Insurance	32,995	32,622	373	29,743
Employee bonds	1,200	1,532	(332)	1,197
Indigent defenders costs	17,000	14,337	2,663	16,390
Landscaping expense	1,000	575	425	3,426
Main street program expenses	3,800	2,330	1,470	3,020
Miscellaneous supplies	3,000	10,888	(7,888)	13,041
Professional services:				
Consulting and auditing	12,000	16,123	(4,123)	17,873
City attorney per diem and legal fees	26,000	26,534	(534)	12,875
Other legal fees	20,000	27,493	(7,493)	40,671
Fumigation	230	334	(104)	235
Payroll taxes	19,790	18,960	830	18,939
Repairs and maintenance	9,800	9,076	724	3,686
Recording and official journal	7,000	8,788	(1,788)	8,019
Supplies - office and janitorial	8,300	10,148	(1,848)	9,162
Salaries and wages:				
Mayor	43,433	43,433	-	43,433
Administration -				
Secretary, City Clerk, etc.	167,000	172,105	(5,105)	168,291
Main street manager	42,000	44,430	(2,430)	44,158
Extra Clerical Help	-	3,524	(3,524)	-
Travel expenses, meals and conventions	2,500	3,444	(944)	2,921
Uniforms	-	65	(65)	253
Municipal Employee Retirement System expense	36,530	33,243	3,287	22,914

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2003
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Safety Program expense	4,000	1,188	2,812	6,992
Employee physicals	4,000	5,911	(1,911)	3,165
Magistrate - City Court	<u>9,000</u>	<u>11,400</u>	<u>(2,400)</u>	<u>8,250</u>
Total general government (administration)	<u>624,581</u>	<u>633,223</u>	<u>(8,642)</u>	<u>619,667</u>
Public safety:				
Police department -				
Advertising and public relations	500	-	500	199
Communications expense - radio, telephone and postage	13,000	9,091	3,909	10,237
Computer expense	1,500	2,235	(735)	1,112
Crowd control	-	535	(535)	1,050
Custody of prisoners	13,000	12,969	31	15,077
Investigative expenses	500	1,070	(570)	179
Dues and subscriptions	1,400	1,129	271	1,216
Janitorial services	8,500	9,300	(800)	9,300
Gasoline, oil, and grease	17,000	22,188	(5,188)	17,646
Group insurance	90,034	75,247	14,787	74,711
Insurance	71,201	75,284	(4,083)	65,386
Municipal Police Retirement System	11,486	11,298	188	11,235
Miscellaneous	800	1,163	(363)	326
Payroll taxes	42,704	43,753	(1,049)	41,634
Patrol cars expense	500	301	199	86
Pest control	180	154	26	183
Police uniforms and supplies	15,000	18,657	(3,657)	12,040
Repairs and maintenance	31,000	34,270	(3,270)	34,642
Salaries and wages -				
Chief of police	36,000	36,107	(107)	34,806
Police officers	500,380	504,447	(4,067)	467,526
Special police and extra help	17,120	17,120	-	17,442
Secretary	40,000	42,265	(2,265)	42,754
Supplies - office and janitorial	11,500	9,939	1,561	11,479
Training and police school	2,500	1,660	840	3,902
Travel expense, meals, and conventions	<u>1,500</u>	<u>1,705</u>	<u>(205)</u>	<u>1,671</u>
Total public safety	<u>927,305</u>	<u>931,887</u>	<u>(4,582)</u>	<u>875,839</u>
Public works:				
Highways and streets department -				
Chemicals and weed control	3,600	3,600	-	3,600
Contract labor	10,860	14,280	(3,420)	14,360
Gasoline, oil and grease	15,000	12,531	2,469	12,259
Group insurance	35,135	28,341	6,794	28,881

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2003
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Insurance	27,786	28,355	(569)	25,276
Miscellaneous	2,000	1,498	502	3,612
Professional services - civil engineer	15,900	15,678	222	7,628
Payroll taxes	16,665	16,479	186	16,095
Pest Control	108	88	20	117
Repairs and maintenance - trucks	18,000	13,821	4,179	19,726
Repairs - equipment	1,000	336	664	722
Hurricane Lili Repairs	262,446	268,787	(6,341)	-
Salaries and wages	218,500	225,959	(7,459)	217,456
Street surfacing materials	20,000	21,831	(1,831)	24,764
Supplies	41,000	36,823	4,177	49,612
Travel expenses, meals, and conventions	300	-	300	784
Dog pound	4,000	5,358	(1,358)	4,331
Mosquito control	7,000	5,775	1,225	8,341
Motor vehicle inspection station	200	177	23	177
City clean-up and cleanest city contest	45,000	52,188	(7,188)	48,135
Street sweeper expense	2,000	1,592	408	1,552
Uniforms	500	474	26	7,834
Utilities	500	17	483	395
Total public works	<u>747,500</u>	<u>753,988</u>	<u>(6,488)</u>	<u>524,179</u>
 Sanitation and health department:				
Rentals and Leases -				
Dump site and equipment	2,400	2,400	-	2,400
Dump site dozer repairs	-	750	(750)	-
Waste collection and disposal - outside services	294,300	289,765	4,535	295,507
Waste collection and disposal - city	10,000	11,223	(1,223)	12,567
Total sanitation and health department	<u>306,700</u>	<u>304,138</u>	<u>2,562</u>	<u>310,474</u>
 Recreation:				
Group insurance	21,960	17,079	4,881	19,246
Insurance	17,366	17,087	279	16,844
Payroll taxes	10,416	9,931	485	10,725
Salaries and wages:				
Magnolia Park	35,740	38,967	(3,227)	53,720
Adam Carlson Park	97,000	97,341	(341)	91,666
Magnolia Park	15,980	16,180	(200)	16,981
RV Park	45,901	71,861	(25,960)	-
Adam Carlson Park	22,280	30,782	(8,502)	25,568
Total recreation	<u>266,643</u>	<u>299,228</u>	<u>(32,585)</u>	<u>234,750</u>

(continued)

CITY OF ST. MARTINVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2003
With Comparative Actual Amounts for Year Ended June 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Tourism:				
Group insurance	20,290	\$ 17,829	2,461	\$ 22,071
Insurance	16,742	17,837	(1,095)	19,316
Payroll taxes	14,582	10,367	4,215	12,300
Salaries and wages:				
Acadian Memorial	54,000	54,718	(718)	62,907
Maison Duchamp	19,500	18,708	792	18,543
Other	71,300	68,721	2,579	85,680
Acadian Memorial	14,900	21,255	(6,355)	15,544
Maison Duchamp	5,300	4,215	1,085	4,055
Other tourism	52,300	51,227	1,073	64,531
Total tourism	<u>268,914</u>	<u>264,877</u>	<u>4,037</u>	<u>304,947</u>
Capital outlay:				
General government -				
Equipment	-	7,000	(7,000)	-
Public safety -				
Vehicles and equipment	36,800	30,841	5,959	87,654
Public works -				
Street overlay	-	1,266	(1,266)	348,180
Recreation	30,000	5,525	24,475	28,919
Tourism	3,000	560	2,440	28,742
Total capital outlay	<u>69,800</u>	<u>45,192</u>	<u>24,608</u>	<u>493,495</u>
Debt service:				
Principal payments on capital lease	32,988	32,988	-	29,012
Interest on capital lease	3,460	3,460	-	399
Total debt service	<u>36,448</u>	<u>36,448</u>	<u>-</u>	<u>29,411</u>
Total expenditures	<u>\$ 3,247,891</u>	<u>\$ 3,268,981</u>	<u>\$ (21,090)</u>	<u>\$ 3,392,762</u>

SPECIAL REVENUE FUNDS

Sales Tax Fund - To account for the receipt and use of proceeds of the City's 1% sales and use tax. The proceeds of this tax are to be used (after paying reasonable and necessary costs and expenses of collecting and administering the tax) for the purpose of constructing and acquiring capital improvements to the waterworks system of the City and for the purpose of establishing, acquiring, constructing, operating, and maintaining solid waste disposal facilities, sewers and sewerage disposal work, drains and drainage facilities, and streets, sidewalks and bridges, including the necessary land, equipment and furnishings, therefore, or for any one or more of said purposes, said tax to be subject to funding into bonds by the City for the purpose of making capital improvements to the extent and in the manner permitted by the laws of Louisiana.

Proceeds of the tax have been pledged and dedicated to the retirement of Public Improvement Bonds dated October 1, 1996.

Section 8 Fund - To account for the receipt and subsequent expenditure of Section 8 housing funds received from the federal government.

CITY OF ST. MARTINVILLE, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
June 30, 2003
With Comparative Totals for June 30, 2002

	Sales Tax Fund	Section 8 Fund	Totals	
			2003	2002
ASSETS				
Cash	\$ 100,074	\$ 52,396	\$ 152,470	\$ 120,249
Interest-bearing deposits	17	-	17	17
Sales tax receivable	48,607	-	48,607	52,944
Accrued interest receivable	-	121	121	121
Due from other funds	125,000	-	125,000	125,000
 Total assets	 \$ 273,698	 \$ 52,517	 \$ 326,215	 \$ 298,331
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ 9,275	\$ 273	\$ 9,548	\$ 9,548
Deferred revenue	-	19,020	19,020	17,113
Total liabilities	9,275	19,293	28,568	26,661
 Fund balances:				
Reserved for housing purposes	-	33,224	33,224	19,060
Unreserved, undesignated	264,423	-	264,423	252,610
Total fund balances	264,423	33,224	297,647	271,670
 Total liabilities and fund balances	 \$ 273,698	 \$ 52,517	 \$ 326,215	 \$ 298,331

CITY OF ST. MARTINVILLE, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2003
With Comparative Totals for June 30, 2002

	Sales Tax Fund	Section 8 Fund	Totals	
			2003	2002
Revenues:				
Taxes	\$ 641,975	\$ -	\$ 641,975	\$ 642,843
Intergovernmental	-	224,310	224,310	210,243
Interest on investments	740	460	1,200	10,474
Total revenues	<u>642,715</u>	<u>224,770</u>	<u>867,485</u>	<u>863,560</u>
Expenditures:				
Rent supplement	-	188,150	188,150	191,685
Salaries	-	16,823	16,823	23,700
Administrative expense	10,573	5,633	16,206	14,654
Total expenditures	<u>10,573</u>	<u>210,606</u>	<u>221,179</u>	<u>230,039</u>
Excess of revenues over expenditures	632,142	14,164	646,306	633,521
Other financing uses:				
Operating transfers out	<u>(620,329)</u>	-	<u>(620,329)</u>	<u>(862,314)</u>
Total other financing uses	<u>(620,329)</u>	-	<u>(620,329)</u>	<u>(862,314)</u>
Excess (deficiency) of revenues over expenditures and other uses	11,813	14,164	25,977	(228,793)
Fund balances, beginning	<u>252,610</u>	<u>19,060</u>	<u>271,670</u>	<u>500,463</u>
Fund balances, ending	<u>\$ 264,423</u>	<u>\$ 33,224</u>	<u>\$ 297,647</u>	<u>\$ 271,670</u>

CITY OF ST. MARTINVILLE, LOUISIANA
Special Revenue Fund
Sales Tax 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 (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales taxes	\$ 600,000	\$ 641,975	\$ 41,975	\$ 642,843
Interest on investments	1,200	740	(460)	9,917
Total revenues	<u>601,200</u>	<u>642,715</u>	<u>41,515</u>	<u>652,760</u>
Expenditures	<u>8,000</u>	<u>10,573</u>	<u>(2,573)</u>	<u>6,587</u>
Excess of revenues over expenditures	<u>593,200</u>	<u>632,142</u>	<u>38,942</u>	<u>646,173</u>
Other financing uses:				
Operating transfers to -				
General Fund	(279,820)	(247,688)	32,132	(490,285)
Water and light plant fund	(191,500)	(215,761)	(24,261)	(214,339)
Debt Service Fund	(147,605)	(147,605)	-	(145,915)
Capital Projects Fund	-	(9,275)	(9,275)	(11,775)
Total financing uses	<u>(618,925)</u>	<u>(620,329)</u>	<u>(1,404)</u>	<u>(862,314)</u>
Excess (deficiency) of revenues over expenditures and other uses	(25,725)	11,813	37,538	(216,141)
Fund balance, beginning	<u>252,610</u>	<u>252,610</u>	<u>-</u>	<u>468,751</u>
Fund balance, ending	<u>\$ 226,885</u>	<u>\$ 264,423</u>	<u>\$ 37,538</u>	<u>\$ 252,610</u>

CITY OF ST. MARTINVILLE, LOUISIANA
Special Revenue Fund
Section 8 Housing 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			2002 Actual
	Budget	Actual	Favorable (Unfavorable)	
Revenues:				
Intergovernmental - Grants from federal government	\$ 223,000	\$ 224,310	1,310	\$ 210,243
Interest	700	460	(240)	557
Total revenues	<u>223,700</u>	<u>224,770</u>	<u>1,070</u>	<u>210,800</u>
Expenditures:				
Rent supplement	190,000	188,150	1,850	191,685
Salaries	23,700	16,823	6,877	23,700
Administrative expense	8,763	5,633	3,130	8,067
Total expenditures	<u>222,463</u>	<u>210,606</u>	<u>11,857</u>	<u>223,452</u>
Excess (deficiency) of revenues over expenditures	1,237	14,164	12,927	(12,652)
Fund balance, beginning	<u>19,060</u>	<u>19,060</u>	-	<u>31,712</u>
Fund balance, ending	<u>\$ 20,297</u>	<u>\$ 33,224</u>	<u>\$ 12,927</u>	<u>\$ 19,060</u>

ENTERPRISE FUND

Water & Light Plant Fund - - To account for the provision of electric, water, and sewer services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF ST. MARTINVILLE, LOUISIANA
Enterprise Fund
Water and Light Plant Fund

Comparative Balance Sheet
June 30, 2003 and 2002

	2003	2002
ASSETS		
Current assets:		
Cash	\$ 98,657	\$ 49,598
Interest-bearing deposits	211,166	299,108
Receivables:		
Accounts	628,949	578,216
Unbilled utilities	351,345	460,996
Due from other funds	17,399	56,044
Accrued interest	10,317	5,115
Stop loss receivable	-	12,991
Inventory - material and supplies	237,371	208,284
Prepaid expenses	36,270	36,270
Total current assets	1,591,474	1,706,622
Restricted assets:		
Cash	179,463	193,703
Investments	422,296	421,790
Total restricted assets	601,759	615,493
Plant and equipment, at cost, net of accumulated depreciation (2003 \$7,053,121; 2002 \$6,696,041)	7,900,981	7,724,036
Equipment held under capital leases, net of accumulated depreciation (2003 \$54,000; 2002 \$54,000)	-	-
Total assets	\$ 10,094,214	\$ 10,046,151

	<u>2003</u>	<u>2002</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 711,410	\$ 826,425
Due to other funds	183,592	183,592
Accrued payroll and sales taxes payable	48,802	43,709
Note payable - Altec capital	22,902	21,251
Insurance payable	<u>1,327</u>	<u>18,266</u>
Total current liabilities (payable from current assets)	<u>968,033</u>	<u>1,093,243</u>
Current liabilities (payable from restricted assets) -		
Revenue bonds payable (DEQ)	125,000	120,000
Interest coupons payable	11,638	12,617
Customers' meter deposits	<u>250,728</u>	<u>237,915</u>
Total current liabilities (payable from restricted assets)	<u>387,366</u>	<u>370,532</u>
Long-term liabilities -		
Revenue bonds payable	1,300,000	1,425,000
Note payable - Altec capital	<u>20,437</u>	<u>43,340</u>
Total long-term liabilities	<u>1,320,437</u>	<u>1,468,340</u>
Total liabilities	<u>2,675,836</u>	<u>2,932,115</u>
Fund equity:		
Contributed capital -		
Municipality	122,725	122,725
Federal grant	3,743,629	3,323,415
Federal revenue sharing	4,905	4,905
Sales tax fund	255,383	255,383
Capital projects fund	2,822	2,822
Special assessment fund	<u>1,235</u>	<u>1,235</u>
Total contributed capital	<u>4,130,699</u>	<u>3,710,485</u>
Retained earnings -		
Reserved for debt retirement	214,393	100,809
Unreserved	<u>3,073,286</u>	<u>3,302,742</u>
Total retained earnings	<u>3,287,679</u>	<u>3,403,551</u>
Total fund equity	<u>7,418,378</u>	<u>7,114,036</u>
Total liabilities and fund equity	<u>\$ 10,094,214</u>	<u>\$ 10,046,151</u>

CITY OF ST. MARTINVILLE, LOUISIANA
Enterprise Fund
Water and Light Plant Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended June 30, 2003 and 2002

	Totals		Electric Department	
	2003	2002	2003	2002
Operating revenues:				
Charges for services -				
Customer service charges	\$ 5,765,674	\$ 5,775,053	\$ 4,895,508	\$ 4,877,915
Delinquent charges	76,858	81,567	65,259	69,332
Tap and reconnection fees	27,378	23,931	23,246	20,341
Lease revenue	590,348	150,000	590,348	150,000
Grant revenue	39,788	-	39,788	-
Miscellaneous	32,029	116,418	27,195	98,955
Total operating revenues	<u>6,532,075</u>	<u>6,146,969</u>	<u>5,641,344</u>	<u>5,216,543</u>
Operating expenses:				
Salaries and wages	527,359	533,435	153,936	165,345
Contract labor	25,246	23,641	20,534	23,065
Power purchases	3,136,703	2,848,933	3,136,703	2,848,933
Supplies	105,318	126,608	28,076	54,363
Maintenance and repairs	205,004	138,793	31,721	24,642
Hurricane Lili repairs	46,629	-	46,629	-
Electricity	79,255	74,369	7,179	2,577
Telephone	5,558	5,693	711	896
Professional services	23,687	32,915	816	2,288
Chemicals	7,096	6,169	-	-
Communications	26,373	25,806	-	-
Computer services	17,687	14,824	-	-
Bad debts	49,051	42,557	-	-
Group insurance	167,852	134,259	-	-
Insurance	132,814	131,435	-	-
Municipal employee retirement expense	29,513	22,168	-	-
Payroll taxes	37,368	41,756	-	-
Travel expense	1,530	547	-	-
Depreciation expense	387,656	381,795	77,531	76,359
Miscellaneous	21,046	18,421	4,728	5,255
Total operating expenses	<u>5,032,745</u>	<u>4,604,124</u>	<u>3,508,564</u>	<u>3,203,723</u>
Operating income (loss)	\$ 1,499,330	\$ 1,542,845	\$ 2,132,780	\$ 2,012,820
Allocation of general and administrative expenses	-	-	531,973	490,653
Operating income (loss) after allocation of general and administrative expenses	\$ 1,499,330	\$ 1,542,845	<u>\$ 1,600,807</u>	<u>\$ 1,522,167</u>
Nonoperating revenues (expenses):				
Interest income	20,307	32,440		
Interest expense	(40,999)	(45,386)		
Administrative fees	(7,725)	(8,300)		
Gain (loss) on disposition of assets	436	(1,517)		
Total nonoperating expenses	<u>(27,981)</u>	<u>(22,763)</u>		
Income before operating transfers	<u>1,471,349</u>	<u>1,520,082</u>		
Operating transfers in (out):				
Operating transfers in	227,496	155,492		
Operating transfers out	(1,814,717)	(1,691,968)		
Total operating transfers	<u>(1,587,221)</u>	<u>(1,536,476)</u>		
Net loss	(115,872)	(16,394)		
Retained earnings, beginning	<u>3,403,551</u>	<u>3,419,945</u>		
Retained earnings, ending	<u>\$ 3,287,679</u>	<u>\$ 3,403,551</u>		

Water Department		Sewerage Department		General and Administrative	
2003	2002	2003	2002	2003	2002
\$ 472,185	\$ 484,610	\$ 397,981	\$ 412,528	-	-
6,294	5,710	5,305	6,525	-	-
2,242	1,675	1,890	1,915	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,623	8,149	2,211	9,314	-	-
<u>483,344</u>	<u>500,144</u>	<u>407,387</u>	<u>430,282</u>	-	-
169,228	155,517	69,200	78,744	134,995	133,829
512	384	4,200	192	-	-
-	-	-	-	-	-
41,428	36,036	16,636	17,330	19,178	18,879
32,915	51,619	140,368	62,532	-	-
-	-	-	-	-	-
51,501	55,554	20,575	16,238	-	-
2,920	2,080	1,927	2,717	-	-
1,767	951	10,641	18,733	10,463	10,943
5,677	4,671	1,419	1,498	-	-
-	-	-	-	26,373	25,806
-	-	-	-	17,687	14,824
-	-	-	-	49,051	42,557
-	-	-	-	167,852	134,259
-	-	-	-	132,814	131,435
-	-	-	-	29,513	22,168
-	-	-	-	37,368	41,756
634	122	180	425	716	-
135,680	133,628	174,445	171,808	-	-
9,288	3,819	6,510	8,564	520	783
<u>451,550</u>	<u>444,381</u>	<u>446,101</u>	<u>378,781</u>	<u>626,530</u>	<u>577,239</u>
31,794	55,763	(38,714)	51,501	(626,530)	(577,239)
<u>51,310</u>	<u>40,407</u>	<u>43,247</u>	<u>46,179</u>	<u>(626,530)</u>	<u>(577,239)</u>
<u>\$ (19,516)</u>	<u>\$ 15,356</u>	<u>\$ (81,961)</u>	<u>\$ 5,322</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ST. MARTINVILLE, LOUISIANA
Enterprise Fund
Water and Light Plant Fund

Comparative Statement of Cash Flows
Years Ended June 30, 2003 and 2002

	2003	2002
Cash flows from operating activities:		
Operating income	\$ 1,499,330	\$ 1,542,845
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	387,656	381,795
Changes in assets and liabilities:		
Decrease in receivables	105,352	148,812
Increase in inventory	(29,087)	(5,452)
Decrease in payables	(149,092)	(262,346)
Increase in customer meter deposits	12,813	1,503
Total adjustments	327,642	264,312
Net cash provided by operating activities	1,826,972	1,807,157
Cash flows from non-capital financing activities:		
Operating transfers out to other funds	(1,814,717)	(1,691,968)
Operating transfers in from other funds	227,496	155,492
Net cash used in non-capital financing activities	(1,587,221)	(1,536,476)
Cash flows from capital and related financing activities:		
Payments made for administrative fees	(7,725)	(8,300)
Payments made for capital purchases	(564,165)	(43,520)
Capital contributed from federal grant	420,214	-
Payments made on DEQ loan	(120,000)	(115,000)
Interest paid on DEQ loan	(40,999)	(45,386)
Net cash used in capital and related financing activities	(312,675)	(212,206)
Cash flows from investing activities:		
Interest earned on investments	20,307	32,440
Maturity of investments	(714,068)	(660,360)
Purchases of investments	801,504	582,584
Net cash provided by (used in) investing activities	107,743	(45,336)
Net increase in cash and cash equivalents	34,819	13,139
Cash and cash equivalents, beginning of year	243,301	230,162
Cash and cash equivalents, end of year	\$ 278,120	\$ 243,301

CITY OF ST. MARTINVILLE, LOUISIANA
Enterprise Fund
Water and Light Plant Fund

Schedule of Changes in Assets Restricted for
Revenue Bond and Certificates of Indebtedness Debt Service
Year Ended June 30, 2003

	1993 Utilities Revenue Bond Sinking Fund	1993 Utilities Revenue Bond Debt Service Reserve Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Cash and investments, July 1, 2002	\$ 61,238	\$ 1,298	\$ 62,536
Cash receipts:			
Transfer from operating account	166,064	-	166,064
Interest on investments	<u>628</u>	<u>10</u>	<u>638</u>
Total receipts	<u>166,692</u>	<u>10</u>	<u>166,702</u>
Total cash and investments available	<u>227,930</u>	<u>1,308</u>	<u>229,238</u>
Cash disbursements:			
Principal payments	(120,000)	-	(120,000)
Interest payments	<u>(45,578)</u>	<u>-</u>	<u>(45,578)</u>
Total disbursements	<u>(165,578)</u>	<u>-</u>	<u>(165,578)</u>
Cash and investments, June 30, 2003	<u>\$ 62,352</u>	<u>\$ 1,308</u>	<u>\$ 63,660</u>

INTERNAL CONTROL,
COMPLIANCE
AND
OTHER INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

* A Professional Accounting Corporation

The Honorable Eric Martin, Mayor
and Members of the City Council
City of St. Martinville, Louisiana

We have audited the general purpose financial statements of the City of St. Martinville, Louisiana, as of and for the year ended June 30, 2003, and have issued our report thereon dated August 21, 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 City of St. Martinville, Louisiana's general purpose 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 City of St. Martinville, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 City of St. Martinville, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings, questioned costs and management's corrective action plan as item 03 - 1.

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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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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. We consider the reportable condition referred to above to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of the City of St. Martinville, Louisiana in a separate letter dated August 21, 2003.

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

Kolder, Champagne, Slaven & Company, LLC

Certified Public Accountants

Breaux Bridge, Louisiana
August 21, 2003

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

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The Honorable Eric Martin, Mayor
and Members of the City Council
City of St. Martinville, Louisiana

Compliance

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

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

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

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Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Kolder, Champagne, Slaven & Company, LLC

Certified Public Accountants

Breaux Bridge, Louisiana
August 21, 2003

CITY OF ST. MARTINVILLE, LOUISIANA

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003**

<u>Federal Grantor/ Pass-Through Grantor: Program Title</u>	<u>State Pass Through Number</u>	<u>Federal CFDA Number</u>	<u>Receipts of Revenue Recognized</u>	<u>Expended This Year</u>
U.S. Department of Housing and Urban Development: Section 8 Rental Certificate Program	N/A	14.857	\$ 224,310	\$210,606
State of Louisiana Office of Finance and Support Services: Community Development Block Grant *	574688	14.228	348,586	334,463
U.S. Department of Justice:				
Local Law Enforcement Block Grants Program	N/A	16.592	9,504	9,504
Universal Hiring Grant	N/A	16.592	11,878	11,878
Electronic Equipment Grant	N/A	16.592	752	752
Federal Emergency Management Agency: State of Louisiana Office of Emergency Preparedness- Public Assistance Grant *	099-67600-00	83.554	<u>301,191</u>	<u>301,191</u>
Total			<u>\$ 896,221</u>	<u>\$868,394</u>

The accounting policies used in preparing this schedule are the same as those used in preparing the audited financial statements.

See Note (1) on page 11.

CITY OF ST. MARTINVILLE
St. Martinville, Louisiana

**Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan
Year Ended June 30, 2003**

Part I: Summary of Auditor's Results

1. An unqualified report was issued on the financial statements.
2. A reportable condition in internal control was disclosed by the audit of the financial statements.
3. Material noncompliance was not disclosed.
4. No reportable conditions in internal control over the major programs were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major programs were:

State of Louisiana Office of Finance and Support Services: Community Development Block Grant
Federal Emergency Management Agency: State of Louisiana Office of Emergency
Preparedness - Public Assistance Grant
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

Internal Control Over Financial Reporting

03-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the City did not have adequate segregation of functions within the accounting system.

Management's Corrective Action Plan:

Mayor Eric Martin has determined that it is not feasible to achieve adequate segregation of functions within the accounting department. No plan is considered necessary.

(continued)

CITY OF ST. MARTINVILLE
St. Martinville, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 2003

Part III: Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings at June 30, 2003.

Part IV: Management Letter Items:

Item 03-2 Inventory Pricing

Finding:

Inventory should be priced using first-in, first-out basis.

Management's Corrective Action Plan:

A meeting will be held between Eric Martin, Mayor; Darren Dore, City Clerk; a representative of the audit team and David Delaunay, Public Works Office Clerk, to discuss inventory pricing. The meeting is intended to explain to Mr. Delaunay the processes that should be followed and to answer any questions he may have regarding the pricing of inventory. Once this meeting is held, Mr. Delaunay will be expected to have the City's inventory reflected at current prices. This should be corrected by June 30, 2004.

Item 03-3 Fixed Asset Records

Finding:

Regarding fixed assets, all assets should be identified and included on a complete listing including tag number, serial number, purchase date and cost. Most departments have completed this process; however, the City as a whole is not complete.

Management's Corrective Action Plan:

Eric Martin, Mayor, will issue a mandate to those department supervisors who have not yet completed the asset listing for his/her department. This plan will be completed by June 30, 2004.

CITY OF ST. MARTINVILLE

Summary of Prior Audit Findings
Year Ended June 30, 2003

Compliance

There were no findings at June 30, 2002.

Internal Control Over Financial Reporting

02-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees the City did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See Item 03-1.

Management Letter Items

02-2 Inventory Pricing

Finding:

Inventory should be priced using the first-in, first-out basis.

Status:

Unresolved. See Item 03-2.

02-3 Fixed Asset Records

Finding:

Regarding fixed assets, all assets should be identified and included on a complete listing including tag number, serial number, purchase date and cost. A listing has been prepared by the City; however, it is not all-inclusive.

Status:

Partially resolved. See Item 03-3.

OTHER SUPPLEMENTARY INFORMATION

CITY OF ST. MARTINVILLE, LOUISIANA
Enterprise Fund
Water and Light Plant Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2003, 2002, 2001, 2000, and 1999

Records maintained by the City indicated the following number of customers were being served during the month of June, 2003, 2002, 2001, 2000, and 1999

<u>Department</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Electric	2,883	2,881	2,875	2,873	2,857
Water	2,671	2,671	2,652	2,665	2,639
Sewerage	2,387	2,392	2,381	2,399	2,392