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TOWN OF MELVILLE, LOUISIANA

Financial Report

Year Ended September 30, 2003

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

Release Date 3-17-04

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MANAGEMENT LETTER

The Honorable Willie C. Haynes, III, Mayor
and Members of the Board of Aldermen
Town of Metairie, Louisiana

We have completed our audit of the financial statements of the Town of Metairie, Louisiana, as of and for the year ended September 30, 2003. These suggestions for your information and consideration relative to improving the internal controls and financial practices of the Town were also included in our management letter for the prior year, but are mentioned again for completeness:

- 1) Town officials should closely monitor expenditures/expenses in all areas in order to meet its current and long-term obligations.
- 2) Town officials should examine its accounts receivable software for utility billings. During the year ended September 30, 2003, numerous problems were encountered with the software including loss of data. This led to difficulty in determining the actual amount of utility accounts receivable at September 30, 2003.
- 3) In addition to the suggestions listed above, The Town of Metairie should seek reimbursement from a local citizen for damages of \$4,134 made to the Town's gas system.

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

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

Lafayette, Louisiana
January 13, 2004

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INDEPENDENT AUDITORS' REPORT

The Honorable Willie C. Haynes, II, Mayor
and Members of the Board of Aldermen
Town of Melville, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Melville, Louisiana, as of and for the year ended September 30, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Melville, 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 and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These 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 Town of Melville, Louisiana, as of September 30, 2003, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The supplemental information on pages 36 - 78 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Melville, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 15, 2004 on our consideration of the Town of Melville's internal control over financial reporting and on our tests of its compliance with 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.

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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 Town of Metairie, Louisiana.

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

Lafayette, Louisiana
January 13, 2014

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

TOWNSHIP OF MELVILLE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups

September 30, 2003

	Governmental Fund Types		Proprietary Fund Types	Account Groups			Totals	
	General Fund	Special Account		Debt Service	General			Totals
					Assets	Liabilities		
<p>ASSETS AND OTHER DEBITS</p> <p>Cash</p> <p>Interest-bearing deposits</p> <p>Receivables -</p> <p> Taxes</p> <p> Accounts (net)</p> <p> Due from other funds</p> <p> Due from other governmental units</p> <p> Other</p> <p> Unaudited assets</p> <p> Interest-bearing deposits</p> <p> Land</p> <p> Buildings</p> <p> Equipment</p> <p> Utility property, plant and equipment</p> <p> Accumulated depreciation</p> <p> Amount available in debt service funds</p> <p> Amount to be provided for retirement of general long term debt</p>	\$ 5,000	\$ 4,481	\$ 485	\$ -	\$ -	\$ -	\$ 11,965	\$ 34,164
	-	902	3,710	-	-	-	4,799	1,017
	1,011	-	1,913	-	-	-	3,318	3,776
	-	-	60,412	-	-	-	60,412	60,710
	40,218	14,268	14,888	-	-	-	79,482	36,066
	1,075	-	4,550	-	-	-	6,275	64,178
	1,179	-	6,489	-	-	-	10,268	11,466
	-	-	-	80,481	-	-	80,481	18,625
	-	-	-	92,109	-	-	92,109	93,158
	-	-	-	444,862	-	-	444,862	496,062
	-	-	-	319,977	-	-	319,977	318,977
	-	-	-	6,478,313	-	-	6,478,313	6,417,089
	-	-	-	(2,188,296)	-	-	(2,188,296)	(2,187,122)
	-	-	-	-	-	26,857	26,857	24,308
	-	-	-	-	-	(296,622)	(296,622)	(284,141)
Total assets and other debits	\$ 55,418	\$ 21,692	\$ 28,482	\$ 4,159,660	\$ 849,294	\$ 290,928	\$ 5,545,318	\$ 5,825,348

FORMS OF MILL KILLS, LOCKBOXES

Combined Balance Sheet - All Fund Types and Asset Categories (Continued)
September 30, 2000

	Governmental Fund Types		Proprietary Fund Types - Enterprise	Amount Changes		Totals	
	General Fund	Special Revenue		General Fund Assets	Long-Term Debt	2000	2001
LIABILITIES, EQUITY AND OTHER CREDIT	\$	\$	\$	\$	\$	\$	\$
Liabilities:							
Bank accounts	4,704	-	21,088	-	-	21,065	18,092
Accounts payable	-	-	49,434	-	-	49,112	99,979
Contract payables	-	-	4,581	-	-	4,500	76,007
Message payables	-	-	-	-	-	-	44,152
Other accrued liabilities	4,073	1,944	5,361	-	-	11,378	4,008
Due to other funds	1,810	17,300	54,661	-	-	74,482	30,069
Payable from restricted assets:							
Revenue bonds payable	-	-	50,000	-	-	50,000	11,000
Autism interest payable	-	-	17,248	-	-	17,248	14,678
Customer deposits	-	-	49,763	-	-	49,763	14,062
Other obligations bonds payable	-	-	489,000	-	248,000	548,000	110,198
Revenue bonds payable	-	-	1,409,483	-	-	881,000	943,000
Total liabilities	26,349	19,971	794,243	-	248,000	3,485,773	1,699,348
Equity and other credits:							
Conditional capital (net of accumulated amortization)	-	-	2,999,031	-	-	2,999,031	3,042,182
Investment in general fund assets	-	-	-	-	849,791	849,118	849,118
Restricted earnings -							
Reserved for revenue bond retirement	-	-	189,182	-	-	189,182	62,449
Unreserved	-	-	189,182	-	-	189,182	311,281
Total restricted earnings	-	-	189,182	-	-	189,182	272,228
Fund balances:							
RESERVED for O&M services	3,092	3,092	-	-	-	30,561	19,249
Unreserved-unassigned	3,092	3,092	-	-	-	3,092	5,442
Total fund balances	6,184	6,184	-	-	-	33,653	24,691
Total equity and other credits	6,184	6,184	3,188,113	-	849,791	4,064,507	4,279,271
Total liabilities, equity and other credits	\$ 32,433	\$ 21,955	\$ 4,478,356	\$ 849,791	\$ 248,000	\$ 11,610,280	\$ 11,429,289

The accompanying notes are an integral part of this statement.

TOWN OF MELVILLE, LOUISIANA

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

	General Fund	Special Revenue	Debt Service	Totals (Memorandum Only)	
				2003	2002
Revenues:					
Taxes	\$ 26,196	\$ 115,513	\$ 14,619	\$ 156,328	\$ 161,409
Licenses and permits	23,873	-	-	23,873	28,150
Intergovernmental	52,549	-	-	52,549	85,813
Fees and forfeits	18,591	-	-	18,591	13,287
Miscellaneous	17,492	8,221	189	25,802	34,198
Total revenues	<u>124,680</u>	<u>123,734</u>	<u>14,728</u>	<u>263,142</u>	<u>322,957</u>
Expenditures:					
Current -					
General government	106,794	13,423	-	120,217	118,583
Public safety:					
Police	78,839	87,133	-	126,071	188,398
Fire	8,637	22,304	-	31,011	24,928
Highways and roads	53,171	1,288	-	54,459	52,549
Culture and recreation	3,581	3,121	-	6,702	5,534
Debt service -					
Principal retirement	-	-	48,480	48,480	52,530
Interest and fiscal charges	-	-	17,526	17,526	22,023
Capital outlay	-	-	-	-	32,078
Total expenditures	<u>261,184</u>	<u>87,128</u>	<u>57,986</u>	<u>406,418</u>	<u>428,591</u>
Excess (deficiency) of revenues over expenditures	<u>(136,504)</u>	<u>36,606</u>	<u>(43,258)</u>	<u>(143,156)</u>	<u>(100,634)</u>
Other financing sources (uses):					
Operating transfers in	153,080	157,687	37,476	348,243	316,122
Operating transfers out	(18,705)	(295,584)	-	(314,289)	(312,478)
Total other financing sources (uses)	<u>134,375</u>	<u>(137,897)</u>	<u>37,476</u>	<u>33,429</u>	<u>2,644</u>
Deficiency of revenues and other sources over expenditures and other uses	<u>(2,129)</u>	<u>(1,221)</u>	<u>(6,782)</u>	<u>(10,132)</u>	<u>(98,170)</u>
Fund balances, beginning	<u>3,249</u>	<u>3,408</u>	<u>24,348</u>	<u>31,005</u>	<u>31,478</u>
Fund balances, ending	<u>\$ 1,120</u>	<u>\$ 2,187</u>	<u>\$ 17,566</u>	<u>\$ 20,873</u>	<u>\$ 33,308</u>

The accompanying notes are an integral part of this statement.

TOWN OF MELVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual - All Governmental Fund Types
Year Ended September 30, 2003

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 21,250	\$ 20,190	\$ (1,060)
Licenses and permits	31,080	29,872	(7,128)
Intergovernmental	18,278	32,569	3,291
Fines and forfeits	18,580	18,551	29
Miscellaneous	22,580	17,492	(5,088)
Total revenues	<u>115,528</u>	<u>118,684</u>	<u>(18,844)</u>
Expenditures:			
Current -			
General government	124,080	114,796	7,644
Public safety:			
Police	100,580	78,229	22,561
Fire	18,580	8,627	2,943
Highways and streets	32,486	35,171	(2,762)
Culture and recreation	3,950	3,581	369
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>293,556</u>	<u>263,184</u>	<u>38,452</u>
Excess (deficiency) of revenues over expenditures	<u>(178,028)</u>	<u>(144,424)</u>	<u>19,604</u>
Other financing sources (uses):			
Operating transfers in	115,080	115,080	-
Operating transfers out	-	(16,716)	(16,716)
Total other financing sources (uses)	<u>115,080</u>	<u>138,284</u>	<u>(16,716)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(6,948)</u>	<u>(140)</u>	<u>2,888</u>
Fund balances, beginning	<u>3,248</u>	<u>3,248</u>	<u>-</u>
Fund balances, ending	<u>\$ 221</u>	<u>\$ 3,108</u>	<u>\$ 2,888</u>

The accompanying notes are an integral part of this statement.

Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$102,000	\$113,510	\$ 1,510	\$15,000	\$16,619	\$ 1,619
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,782</u>	<u>8,222</u>	<u>(1,560)</u>	<u>100</u>	<u>100</u>	<u>0</u>
<u>121,782</u>	<u>122,738</u>	<u>1,957</u>	<u>15,100</u>	<u>16,728</u>	<u>1,628</u>
8,900	13,403	(4,503)	-	-	-
64,525	47,132	17,393	-	-	-
26,680	22,224	4,456	-	-	-
1,780	1,288	492	-	-	-
1,000	3,121	(2,121)	-	-	-
-	-	-	34,000	48,469	(14,469)
-	-	-	20,153	17,536	2,617
-	-	-	-	-	-
<u>100,740</u>	<u>87,029</u>	<u>13,711</u>	<u>34,153</u>	<u>37,996</u>	<u>(3,843)</u>
<u>19,020</u>	<u>26,416</u>	<u>(7,396)</u>	<u>(29,443)</u>	<u>(40,250)</u>	<u>(10,807)</u>
40,580	157,667	117,087	27,000	37,579	10,579
<u>(28,580)</u>	<u>(125,580)</u>	<u>(97,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(18,000)</u>	<u>(37,917)</u>	<u>(19,917)</u>	<u>27,000</u>	<u>37,579</u>	<u>10,579</u>
1,020	(1,581)	(2,561)	(12,443)	(3,688)	8,755
<u>3,480</u>	<u>3,600</u>	<u>-</u>	<u>24,269</u>	<u>24,269</u>	<u>-</u>
<u>\$ 4,470</u>	<u>\$ 3,022</u>	<u>\$ (1,448)</u>	<u>\$11,206</u>	<u>\$28,581</u>	<u>\$ 17,375</u>

TOWN OF MELVILLE, LOUISIANA

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

	Totals	
	2003	2002
Operating revenues:		
Charges for services:		
Gas sales	\$152,892	\$126,820
Water sales	87,079	82,215
Sewer sales	29,188	31,031
Delinquent charges	1,687	11,961
Miscellaneous:		
Sludge franchise	51,287	60,880
Other	1,728	7,887
Total operating revenues	<u>466,853</u>	<u>402,794</u>
Operating expenses:		
Gas department expenses	198,751	125,881
Water department expenses	82,684	89,290
Sewer department expenses	42,843	51,838
Gas department depreciation	38,738	40,189
Water department depreciation	32,156	32,878
Sewer department depreciation	58,987	69,027
Total operating expenses	<u>609,032</u>	<u>609,083</u>
Operating income (loss)	<u>1,173</u>	<u>(10,605)</u>
Nonoperating revenues (expenses):		
Interest income	1,449	3,787
Interest expense	<u>(73,417)</u>	<u>(80,711)</u>
Total nonoperating expense	<u>(71,968)</u>	<u>(76,924)</u>
Loss before operating transfers	<u>(70,795)</u>	<u>(87,529)</u>
Operating transfers in (out):		
Operating transfers in	27,634	40,973
Operating transfers out	<u>(162,571)</u>	<u>(128,823)</u>
Total operating transfers out	<u>(134,937)</u>	<u>(87,850)</u>
Net loss	<u>(208,726)</u>	<u>(128,302)</u>
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and contributions that reduce contributed capital	<u>308,682</u>	<u>185,382</u>
Decrease in retained earnings	<u>(90,044)</u>	<u>(42,920)</u>
Retained earnings, beginning	<u>297,928</u>	<u>340,848</u>
Retained earnings, ending	<u>\$197,884</u>	<u>\$297,928</u>

The accompanying notes are an integral part of this statement.

TOWN OF MELVILLE, LOUISIANA

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

	2003	2002
Cash flows from operating activities:		
Operating income (loss)	\$ 1,173	\$(15,835)
Adjustments to reconcile net operating income to net cash provided by operating activities -		
Depreciation	148,481	142,258
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	1,000	(1,895)
Increase in other receivables	(132)	(2,411)
Increase (decrease) in cash over/short	(7,894)	22,817
Decrease in accounts payable	(29,674)	(9,247)
Increase (decrease) in other account liabilities	1,852	(262)
Total adjustments	<u>168,582</u>	<u>151,865</u>
Net cash provided by operating activities	<u>169,755</u>	<u>136,030</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	42,667	-
Cash paid to other funds	(1,814)	-
Transfer from other funds	27,624	46,973
Transfer to other funds	<u>(165,471)</u>	<u>(128,025)</u>
Net cash used for noncapital financing activities	<u>(97,094)</u>	<u>(81,052)</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds	(31,600)	(48,000)
Interest and paying agent fees paid on revenue bonds	(73,831)	(62,082)
Purchase of property, plant and equipment	(137,063)	(171,000)
Increase in customers' deposits	6,783	2,900
Proceeds from water grant	<u>137,662</u>	<u>286,124</u>
Net cash used for capital and related financing activities	<u>(198,049)</u>	<u>(192,058)</u>
Cash flows from investing activities:		
Interest received on interest-bearing deposits	<u>1,448</u>	<u>2,787</u>
Net decrease in cash and cash equivalents	<u>(165,944)</u>	<u>(57,575)</u>
Cash, cash equivalents and restricted cash, beginning of period	<u>188,629</u>	<u>246,204</u>
Cash, cash equivalents and restricted cash, end of period	<u>\$ 22,685</u>	<u>\$188,629</u>

(continued)

TOWN OF MELVILLE, LOUISIANA

Comparative Statement of Cash Flow -
Proprietary Fund Type (Continued)
Years Ended September 30, 2011 and 2010

	<u>2010</u>	<u>2011</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period - Interest-bearing deposits - restricted	\$ 188,625	\$240,308
Cash and cash equivalents, end of period - Interest-bearing deposits - restricted	<u>82,681</u>	<u>183,625</u>
Net decrease	<u>\$105,944</u>	<u>\$56,683</u>

The accompanying notes are an integral part of this statement.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Town of Melville was incorporated in 1911 under the provisions of the Louisiana Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Melville 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 industry audit guide, *Audit of State and Local Governmental Units*.

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 Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, issuing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, there are no component unit governmental organizations that are included as part of the Town.

B. Fund Accounting

The accounts of the Town of Melville 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. Governmental 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. Account groups are a reporting device used to account for certain assets and liabilities of the governmental funds not recorded directly in these funds. The Town has the following fund types and account groups:

Governmental Fund Types -

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except 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.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Debt Service Funds

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

Proprietary Fund Type -

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund. The Town's enterprise fund is the Utility Fund.

Account Groups -

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and includes fixed assets in the Enterprise Fund.

General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

C. 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 of the Town's governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available or net current assets.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Sales taxes are considered "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. All uniform taxes are recognized as revenue in the year budgeted, that is, in the year in which such taxes are billed to taxpayers. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Other major revenues that are considered measurable to account include earned grant revenues and other intergovernmental revenues, charges for services and interest on interest-bearing deposits. Franchise fees, licenses and permits, and fines are recognized when received because they are not objectively measurable.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on general long-term debt is recognized when due and purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Unbilled utility service receivables, resulting from utility services rendered between the date of meter reading and billing and the end of the month, were not recorded at year end.

D. **Budgets and Budgetary Accounting**

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

1. The Town Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Board of Aldermen not 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 a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of the fiscal year.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

E. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

F. Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

G. Due To and Due From Other Funds

Interfund receivables and payables arise from interfund transactions and are reported by all funds affected in the period in which transactions are executed.

H. Restricted Assets

The Utility Fund, based on certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used in service outstanding debt.

I. Fixed Assets

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 Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not included in the general fixed assets account group or capitalized in the proprietary fund.

All purchased fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet.

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

Gas and water lines	30 years
Gas and water equipment	3-10 years
Office equipment and furniture	3-10 years
Sewer and sewer lines	30 years

J. Long-Term Debt

Long-term obligations of the Town are reported in the General Long-Term Debt Account Group. Long-term liabilities for certain revenue bonds are reported in the Utility Fund.

K. Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables was made due to immateriality at September 30, 2003 and 2002.

L. Compensated Absences

Town employees are entitled to certain compensated absences based upon their length of employment. Sick leave is accumulated at one day per month up to a maximum of ten days per year and thirty days in total. Employees are not paid for accumulated sick leave at the time of separation from employment with the Town. Five days of annual leave are earned on the anniversary date of employment for each full-time, permanent employee with less than five full years of service with the municipality. Ten days of annual leave are earned by such employees after five full years of service. Employees may not carry over or accumulate annual leave from one anniversary date to another. Amounts of vested or accumulated compensated absences at September 30, 2003 and 2002 are not recorded as liabilities due to immateriality.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

M. Capitalization of Interest Expense

It is the policy of the Town to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. There was no interest capitalized at September 30, 2003 and 2002 due to immateriality.

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 do not present financial position, results of operations, or 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.

O. 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 Town'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.

P. 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, is not employed as an extension of formal budgetary integration in the funds.

(2) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2003, the Town had cash and interest-bearing deposits (book balances) totaling \$99,136, as follows:

Demand deposits	\$ 11,796
Money market accounts	<u>87,340</u>
Total	<u>\$ 99,136</u>

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at September 30, 2002 are secured as follows:

Bank balances	<u>\$ 91,212</u>
Federal deposit insurance	91,210
Pledged securities (Category 3)	<u> </u>
Total federal insurance and pledged securities	<u>\$ 91,212</u>

Pledged securities in Category 3 include unmeasured 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 Town's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 18:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 60 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

(7) **Ad Valorem Taxes**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of St. Landry Parish. Property tax revenues are recognized when billed to the extent that they result in current receivables.

For the year ended September 30, 2002, taxes of 15.45 mills were levied on property with assessed valuations totaling \$2,171,000 and were dedicated as follows:

General corporate purposes	7.32 mills
Debt service	7.93 mills

Total taxes levied were \$12,542. Uncollected ad valorem taxes at September 30, 2002 amounted to \$2,738.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(4) **Interfund Receivables, Payables**

Interfund receivables and payables at September 30, 2003 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$43,535	\$ 1,810
Special Revenue Funds -		
1982 Sales Tax Fund	14,209	17,709
Debt Service Fund -		
Sales Tax Bond 881491	14,868	286
Enterprise Fund	<u>1,810</u>	<u>34,687</u>
Totals	<u>\$74,482</u>	<u>\$74,482</u>

(5) **Due from Other Governmental Units**

Amounts due from other governmental units at September 30, 2003 consisted of the following:

Amount due from St. Landry Parish for the payment in lieu of taxes for the fiscal year ending September 30, 2003	\$ 518
Amount due from Louisiana Commission on Law Enforcement for law enforcement equipment grant	963
Amount due from State of Louisiana Division of Administration for reimbursement owed for expenses incurred through September 30, 2003 on federal LCDFG water improvement project	<u>4,208</u>
	<u>\$ 6,273</u>

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(6) **Restricted Assets – Proprietary Fund Type**

Restricted assets consisted of the following at September 30:

	<u>2003</u>	<u>2002</u>
Gas bond and interest sinking fund	\$ 183	\$ 28,831
Sewer bond and interest sinking fund	661	916
Gas bond reserve fund	36,033	48,797
Sewer bond reserve fund	33	45,532
Gas bond depreciation and contingency fund	4,436	18,828
Sewer bond depreciation and contingency fund	9	22,767
Customers' Deposit	<u>48,781</u>	<u>34,862</u>
Totals	<u>\$ 82,681</u>	<u>\$ 188,813</u>

(7) **Changes in Fixed Assets**

A summary of changes in general fixed assets follows:

	<u>09/30/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>09/30/02</u>
Land	\$ 92,138	\$ -	\$ -	\$ 92,138
Buildings	448,062	-	-	448,062
Equipment	<u>333,873</u>	<u>—</u>	<u>—</u>	<u>318,812</u>
Total general fixed assets	<u>\$ 874,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 859,012</u>

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

Gas system and improvements	\$ 1,405,170
Water system and improvements	1,040,234
Sewer system and improvements	1,473,136
Construction in progress	<u>587,813</u>
	4,506,353
Less: Accumulated depreciation	<u>(2,128,234)</u>
Net property, plant and equipment	<u>\$ 2,378,119</u>

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(F) **Changes in General Long-Term Debt**

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

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Total</u>
General long-term debt payable, September 30, 2002	\$110,390	\$ 998,080	\$1,108,470
Additions	-	-	-
Reductions	<u>(40,448)</u>	<u>(10,000)</u>	<u>(50,448)</u>
General long-term debt payable, September 30, 2003	<u>\$ 69,942</u>	<u>\$ 988,080</u>	<u>\$1,058,022</u>

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

General obligation bonds:

\$125,000 General Obligation Bonds, Series 1992, dated 4/14/91; due in annual installments of \$13,378 through 2001; interest at 5.875 percent, payable from all various taxes.	\$ 79,561
\$450,000 Sales Tax Bonds, Series 1990, dated 8/14/91; due in annual installments of \$41,375 through 2009; interest at 5.875 percent, payable from sales tax revenues.	<u>180,520</u>
	<u>\$ 260,081</u>

Revenue bonds:

\$181,000 Municipal Gas System bonds dated 12/20/82; due in annual installments of \$32,800 - \$48,080 through 12/20/97; interest at 5.8 percent.	\$ 181,000
\$484,000 Municipal Sewer System bonds dated 7/2/83; due in annual installments of \$15,800 - \$60,080 through 7/2/23; interest at 5.0 percent and 7.12 percent.	<u>181,000</u>
	<u>\$ 362,000</u>

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize all debt outstanding as of September 30, 2003, including interest payments of \$699,052, are as follows:

Year Ending September 30,	General Obligation Bonds	Revenue Bonds	Total
2004	\$ 54,513	\$ 189,729	\$ 144,216
2005	54,513	189,866	144,419
2006	54,513	190,813	145,306
2007	54,513	191,578	146,131
2008	54,513	192,201	146,754
2009-2013	71,877	324,696	412,979
2014-2018	-	341,238	341,238
2019-2023	-	340,199	340,199
	<u>\$ 358,842</u>	<u>\$ 1,586,349</u>	<u>\$ 1,916,842</u>

(9) **Flow of Funds, Restrictions on Use - Utilities Revenues**

Under the terms of the bond agreements on outstanding Municipal Gas System revenue bonds dated December 30, 1982, and outstanding Municipal Sewer System revenue bonds dated July 25, 1983, all revenues derived from operations of the Utility System will be pledged and dedicated to the retirement of said bonds upon completion of the gas and sewer projects and are to be set aside into the following funds:

On each bond issue, each month there will be set aside into a revenue bond and interest sinking fund account an amount consisting of 1/12 of the next installment of principal and interest on the outstanding bonds. Such payments must be made on or before the 30th day of each month to assure the prompt payment of the principal and interest installments as they become due and may be used only for such payments.

Commencing with the first month in which the gas and sewer projects have been completed, 5% of the amount to be paid into the sinking fund account each month must be deposited into a reserve account until the gas reserve fund has a balance of \$63,780 and the sewer reserve fund has a balance of \$71,243.

Also, commencing with the first month in which the gas and sewer projects have been completed, \$179 shall be deposited each month into a gas depreciation and contingency fund, and \$284 shall be deposited each month into a sewer depreciation and contingency fund.

The Town of Melville did not comply with its bond agreements for the year ended September 30, 2003. The Town did not make all its monthly transfers into the restricted accounts as required by the bond indentures. Additionally, as required by the gas and sewer bond agreements with the United States Department of Agriculture, the Town did not collect revenues sufficient to provide funds for operation and debt service requirements.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(10) Dedication of Proceeds and Flies of Funds - Sales and Use Taxes

- A. Proceeds of a 1 percent sales and use tax originally approved by the voters of the Town on September 11, 1982, renewed on November 13, 2008 for ten years and levied by the Town of Melville (2000 collections \$51,880; 2002 collections \$16,160) are dedicated to the following purposes:

Providing fire protection to the Town; providing for the operation, maintenance and improvement of the natural gas distribution system and water system of the Town; and paying general operating expenses of the Town.

- B. Proceeds of a 1.2 percent sales and use tax approved by voters of the Town on November 18, 1989 and levied by the Town of Melville for a period of twenty years from the date of the first levy of the tax (2000 collections \$63,532; 2002 collections \$68,717) are dedicated to the following purposes:

Constructing, improving, and maintaining public streets and bridges within the Town and maintaining and operating sewer and sewage disposal facilities of the Town.

(11) Retirement Commitments

All employees of the Town of Melville participate in the Social Security system. The Town and its employees contribute a percentage of each employee's salary to the system (7.65 percent contributed by the Town and 7.65 percent by the employee). The Town's contributions during the years ended September 30, 2005, 2002 and 2001 amounted to \$16,940, \$18,194 and \$17,963, respectively.

(12) Natural Gas Contract

Under a contract renewed annually, the Town of Melville purchases its natural gas from Cypress Gas Pipeline Company. During the fiscal year ended September 30, 2002 the Town's natural gas purchases amounted to \$123,589.

(13) Risk Management

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

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(14) Segment Information - Enterprise Fund

The Town of Melville maintains three utility departments within its enterprise fund that provide gas, water, and sewer services. Segment information for the year ended September 30, 2013 was as follows:

	Gas Department	Water Department	Sewer Department	Total Enterprise Fund
Operating revenues	\$261,670	\$109,626	\$ 91,339	\$462,635
Operating expenses:				
Depreciation	39,238	32,156	68,987	140,481
Other	188,752	83,684	42,842	315,278
Total operating expenses	228,090	115,760	111,829	455,679
Operating income (loss)	\$ 33,580	\$ (6,134)	\$ (20,490)	\$ (3,044)

(15) Litigation and Claims

At September 30, 2013, the Town was involved in several lawsuits claiming damages. The Town's legal counsel and elected officials are of the opinion that any enforceable outcome will be covered by insurance.

(16) Contributed Capital

Amounts contributed to the Enterprise Fund for acquisition or construction of fixed assets are recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This depreciation is charged to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

The sources of contributed capital used to acquire and construct facilities of the Enterprise Fund are as follows:

	Municipality	Federal/State Grants	Total
Total contributed capital	\$ 72,451	\$ 4,379,156	\$ 4,451,607
Less: Accumulated amortization	-	(1,452,189)	(1,452,189)
Net contributed capital	\$ 72,451	\$ 2,926,967	\$ 2,999,418

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(17) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended September 30, 2025 follows:

Wille C. Hayes II	\$ 4,500
Aldermen:	
Chris Barker	650
Alan Dugas	150
Erither Johnson	200
Joseph Marlin	900
Samuel Morrow	150
Laura Moulie	150
Laurence Noyes	150
Devon Olney	1,200
Virginia Whittington	150
	<u>\$ 10,200</u>

SUPPLEMENTAL INFORMATION

**SCHEDULES OF INDIVIDUAL FUNDS
AND
ACCOUNT GROUPS**

GENERAL FUND

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

TOWN OF MELVILLE, LOUISIANA
General Fund

Comparative Balance Sheet
September 30, 2003 and 2002

	2003	2002
ASSETS		
Cash	\$ 5,050	\$ 1,783
Receivables -		
Ad valorem taxes	1,821	1,643
Due from other funds	43,535	17,789
Due from other governmental units	1,873	1,039
Other	1,170	2,149
Total assets	\$33,458	\$26,323
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$44,346	\$21,251
Other accrued liabilities	4,233	1,823
Due to other funds	1,816	-
Total liabilities	\$50,395	\$23,074
Fund balance		
Unreserved - undesignated	3,108	3,249
Total liabilities and fund balance	\$53,503	\$26,323

TOWN OF MELVILLE, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 2003
With Comparative Actual Amounts For the Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 21,250	\$ 20,098	\$ (1,054)	\$ 19,046
Licenses and permits	31,800	23,872	(7,928)	28,190
Intergovernmental	50,278	52,569	2,291	85,803
Fees and debits	10,900	10,531	(369)	10,287
Miscellaneous	23,900	17,692	(6,208)	23,096
Total revenues	<u>138,128</u>	<u>124,862</u>	<u>(13,266)</u>	<u>171,972</u>
Expenditures:				
Current -				
General government	124,400	116,758	7,644	108,904
Public safety:				
Police	181,000	98,919	82,081	88,671
Fire	11,000	8,657	2,343	6,097
Highways and streets	52,400	55,171	(2,771)	59,841
Culture and recreation	3,858	3,581	287	2,749
Capital outlay	-	-	-	31,538
Total expenditures	<u>293,258</u>	<u>281,104</u>	<u>12,154</u>	<u>288,210</u>
Deficiency of revenues over expenditures	<u>(155,130)</u>	<u>(156,242)</u>	<u>1,112</u>	<u>(116,238)</u>
Other financing sources (uses):				
Operating transfers in	100,000	100,000	-	100,000
Operating transfers out	-	(18,716)	(18,716)	(13,449)
Total other financing sources (uses)	<u>100,000</u>	<u>81,284</u>	<u>18,716</u>	<u>86,551</u>
Deficiency of revenues and other sources over expenditures and other uses	<u>(55,130)</u>	<u>(74,918)</u>	<u>19,788</u>	<u>(29,687)</u>
Fund balance, beginning	<u>3,248</u>	<u>3,248</u>	<u>-</u>	<u>25,616</u>
Fund balance, ending	<u>\$ 221</u>	<u>\$ 3,069</u>	<u>\$ 2,848</u>	<u>\$ 3,248</u>

TOWN OF MELVILLE, LOUISIANA
General Fund

Statement of Revenues - Budget (GAAP Basis) and Actual
Year Ended September 30, 2003
With Comparative Actual Amounts for the Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Taxes:				
Ad valorem tax	\$ 16,250	\$ 16,183	\$ (67)	\$ 15,936
Franchise fees:				
Cable TV	5,080	4,083	(997)	3,870
Total taxes	<u>21,330</u>	<u>20,266</u>	<u>(1,064)</u>	<u>19,806</u>
Licenses and permits:				
Occupational	<u>31,080</u>	<u>23,872</u>	<u>(7,208)</u>	<u>26,120</u>
Intergovernmental:				
U.S. Department of Justice - COPS-Universal Hiring Grant	-	-	-	21,274
Federal Emergency Management Agency - Hurricane relief grant	12,427	14,021	1,594	-
State of Louisiana -				
Beer taxes	2,250	1,822	(428)	1,717
Video poker	9,750	9,373	(377)	9,393
DOTD grant	23,651	23,651	-	23,651
Rural Development Grant	1,180	2,792	1,612	28,738
St. Landry Parish Housing Authority	<u>1,180</u>	<u>510</u>	<u>(1,670)</u>	<u>1,028</u>
Total intergovernmental	<u>39,278</u>	<u>32,969</u>	<u>(6,309)</u>	<u>85,813</u>
Fines and forfeits	<u>10,500</u>	<u>10,151</u>	<u>(349)</u>	<u>15,207</u>
Miscellaneous:				
Rent on buildings	17,000	16,595	(405)	17,000
Donations	-	-	-	2,359
Insurance proceeds	-	-	-	4,628
Other	<u>5,300</u>	<u>897</u>	<u>(4,403)</u>	<u>3,582</u>
Total miscellaneous	<u>22,300</u>	<u>17,492</u>	<u>(4,808)</u>	<u>27,569</u>
Total revenues	<u>\$135,528</u>	<u>\$124,686</u>	<u>\$10,842</u>	<u>\$171,872</u>

TOWN OF MELVILLE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual
Year Ended September 30, 2003

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

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
General government:				
Salaries - mayor and aldermen	\$10,500	\$10,500	\$ 000	\$ 10,500
Other salaries and wages	30,000	33,087	(3,087)	34,994
Payroll taxes	3,700	4,583	(883)	3,330
Insurance	7,000	8,119	1,119	6,269
Dees	400	375	(25)	383
Office expenditures	3,500	3,489	11	2,344
Professional fees	30,000	32,199	440	34,315
Utilities	8,700	2,918	6,782	3,233
Telephone	5,000	6,481	(1,481)	8,201
Repairs and maintenance	3,000	2,449	551	3,728
Supplies	4,000	5,949	1,949	8,313
Community activities	3,000	2,484	516	2,364
Miscellaneous	2,750	2,321	429	3,520
Electric expenses	2,000	1,523	478	-
Carson fee	800	680	120	1,400
Total general government	<u>124,400</u>	<u>134,756</u>	<u>7,444</u>	<u>188,974</u>
Public safety:				
Police department -				
Salaries	37,200	34,194	20,406	39,409
Payroll taxes	5,400	3,121	2,279	4,317
Insurance	14,750	22,089	(8,339)	22,629
Auto expenditures	10,000	10,083	83	11,690
Maintenance and supplies	7,000	3,770	3,230	7,901
Miscellaneous	3,750	1,313	2,437	963
State fee on fines	1,000	634	366	881
Prisoner's meals	3,280	1,128	2,152	1,016
Total police department	<u>101,380</u>	<u>78,932</u>	<u>22,448</u>	<u>86,671</u>
Fire department -				
Auto expenditures	3,500	3,251	249	496
Maintenance and supplies	7,000	5,294	1,706	3,511
Miscellaneous	3,000	18	2,982	79
Total fire department	<u>13,500</u>	<u>8,563</u>	<u>4,937</u>	<u>4,086</u>
Total public safety	<u>114,880</u>	<u>87,495</u>	<u>27,384</u>	<u>90,757</u>

(continued)

TOWN OF MELVILLE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended September 30, 2003
With Comparative Actual Amounts For the Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Highways and streets:				
Salaries	\$ 9,580	\$ 10,297	\$ (8,797)	\$ 10,204
Contract labor	380	811	(11)	185
Insurance	600	359	91	373
Repairs and maintenance	22,080	24,084	(2,084)	16,908
Equipment maintenance	14,055	10,987	3,069	12,854
Miscellaneous	5,480	453	4,987	1,813
Total highways and streets	<u>52,185</u>	<u>57,171</u>	<u>(5,785)</u>	<u>50,941</u>
Culture and recreation:				
Salaries	1,180	1,208	(180)	-
Payroll taxes	180	91	9	-
Supplies	580	256	244	1,319
Repairs and maintenance	2,080	1,828	174	1,465
Miscellaneous	250	308	42	165
Total culture and recreation	<u>4,270</u>	<u>3,691</u>	<u>369</u>	<u>2,949</u>
Capital outlay:				
General government -				
Hallport	-	-	-	758
Equipment	-	-	-	4,880
Civic center	-	-	-	699
Equipment	-	-	-	3,157
Highways and streets -				
Equipment	-	-	-	2,249
Culture and recreation -				
Park project	-	-	-	18,711
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,574</u>
Total expenditures	<u>\$264,256</u>	<u>\$263,104</u>	<u>\$ 30,452</u>	<u>\$288,910</u>

SPECIAL REVENUE FUNDS

1981 Sales Tax Fund

To account for the receipt and use of proceeds of the Town's 1 % sales and use tax. These taxes are dedicated to the purposes of providing fire protection to the Town; providing for the operation, maintenance and improvements to the natural gas distribution system and water system of the Town; and paying general operating expenses for the Town.

1982 Sales Tax Fund

To account for the receipt and use of proceeds of the Town's 0.2 % sales and use tax. These taxes are dedicated to the purposes of constructing, improving and maintaining public streets and bridges within the Town and maintaining and operating sewers and sewage disposal facilities of the Town.

TOWN OF MELVILLE, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
 September 30, 2002
 With Comparative Totals for September 30, 2001

	2002	2001	Totals	
	Sales Tax	Sales Tax	2001	2002
ASSETS				
Cash	\$ 6,401	\$ -	\$ 6,401	\$ 8,770
Interest-bearing deposits	-	922	922	919
Due from other funds	14,269	-	14,269	12,296
Total assets	<u>\$20,670</u>	<u>\$ 922</u>	<u>\$21,592</u>	<u>\$22,085</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Other accrued liabilities	\$ 1,984	\$ -	\$ 1,984	\$ 891
Due to other funds	17,789	-	17,789	17,789
Total liabilities	<u>19,693</u>	<u>-</u>	<u>19,693</u>	<u>18,680</u>
Fund balances:				
Unreserved, undesignated	971	822	1,899	3,480
Total fund balances	<u>971</u>	<u>822</u>	<u>1,899</u>	<u>3,480</u>
Total liabilities and fund balances	<u>\$20,670</u>	<u>\$ 922</u>	<u>\$21,592</u>	<u>\$22,085</u>

TOWN OF MELVILLE, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2003
With Comparative Totals For the Year Ended September 30, 2002

	1982	1989	Totals	
	Sales Tax	Sales Tax	2003	2002
Revenues:				
Taxes	\$ 31,981	\$ 63,532	\$ 115,313	\$ 128,582
Miscellaneous -				
Interest	-	-	-	4
Other	8,223	-	8,223	6,673
Total revenues	<u>40,204</u>	<u>63,532</u>	<u>123,536</u>	<u>135,259</u>
Expenditures:				
Current -				
General government	32,670	795	33,465	9,681
Public safety:				
Police	47,133	-	47,133	33,687
Fire	22,394	-	22,394	18,838
Highways and streets	1,288	-	1,288	3,735
Culture and recreation	3,121	-	3,121	2,775
Capital outlay -	-	-	-	580
Total expenditures	<u>86,586</u>	<u>795</u>	<u>87,381</u>	<u>85,129</u>
Excess (deficiency) of revenues over expenditures	<u>(46,382)</u>	<u>(163)</u>	<u>(46,545)</u>	<u>(48,890)</u>
Other financing sources (uses):				
Operating transfers in	157,667	-	157,667	39,846
Operating transfers out	(132,796)	(62,788)	(195,584)	(187,022)
Total other financing sources (uses)	<u>24,871</u>	<u>(62,788)</u>	<u>(70,917)</u>	<u>(147,176)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(21,511)</u>	<u>(163)</u>	<u>(21,674)</u>	<u>(87)</u>
Fund balances, beginning	<u>3,467</u>	<u>903</u>	<u>3,480</u>	<u>2,523</u>
Fund balances, ending	<u>\$ 1,956</u>	<u>\$ 740</u>	<u>\$ 1,890</u>	<u>\$ 1,636</u>

TOWN OF MELVILLE, LOUISIANA
Special Revenue Fund
1982 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 2002

With Comparative Actual Amounts For the Year Ended September 30, 2001

	2002		Variance - Favorable (Unfavorable)	2001 Actual
	Budget	Actual		
Revenues:				
Taxes - sales taxes	\$ 50,000	\$ 51,981	\$ 1,981	\$56,765
Miscellaneous -				
Other	9,161	8,219	(1,542)	6,679
Total revenues	<u>59,161</u>	<u>60,200</u>	<u>439</u>	<u>63,444</u>
Expenditures:				
Current -				
General government	8,208	12,679	(4,470)	8,917
Public safety:				
Police	64,323	67,312	13,989	51,687
Fire	26,600	23,334	4,246	18,838
Highways and streets	1,700	1,288	412	1,728
Culture and recreation	1,800	3,121	(2,121)	2,715
Capital outlay	-	-	-	500
Total expenditures	<u>102,621</u>	<u>108,565</u>	<u>15,460</u>	<u>84,835</u>
Deficiency of revenues over expenditures	<u>(43,460)</u>	<u>(78,365)</u>	<u>18,899</u>	<u>(78,997)</u>
Other financing sources (uses):				
Operating transfers in	40,500	157,667	117,167	58,845
Operating transfers out	-	(132,796)	(132,796)	(37,933)
Total other financing sources (uses)	<u>40,500</u>	<u>24,871</u>	<u>(15,629)</u>	<u>20,912</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(1,788)</u>	<u>(1,496)</u>	<u>230</u>	<u>835</u>
Fund balance, beginning	<u>2,467</u>	<u>2,467</u>	<u>-</u>	<u>1,192</u>
Fund balance, ending	<u>\$ 701</u>	<u>\$ 971</u>	<u>\$ 270</u>	<u>\$ 2,487</u>

TOWN OF MELVILLE, LOUISIANA
Special Revenue Fund
1992 Sales Tax Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual
Year Ended September 30, 2003
With Comparative Actual Amounts For the Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Expenditures:				
Current -				
General government:				
Professional fees	\$ 4,800	\$ 8,254	\$(4,254)	\$ 4,764
Office expenditures	200	-	200	223
Collection fees	200	609	(409)	188
Utilities	<u>3,200</u>	<u>3,897</u>	<u>(297)</u>	<u>3,382</u>
Total general government	<u>8,200</u>	<u>12,670</u>	<u>(4,470)</u>	<u>8,557</u>
Public safety:				
Police department -				
Salaries	97,200	42,790	54,410	46,127
Payroll taxes	3,300	3,643	1,853	3,799
Insurance	725	727	(2)	748
Maintenance and supplies	100	-	100	78
Auto expenditures	<u>1,800</u>	<u>-</u>	<u>1,800</u>	<u>925</u>
Total police	<u>104,325</u>	<u>47,160</u>	<u>57,165</u>	<u>51,687</u>
Fire department -				
Insurance	14,800	14,480	(480)	14,858
Auto expenditures	2,800	1,237	463	212
Maintenance and supplies	9,800	5,236	4,270	1,276
Utilities	200	666	14	608
Miscellaneous	<u>200</u>	<u>112</u>	<u>(112)</u>	<u>1,794</u>
Total fire department	<u>28,000</u>	<u>22,721</u>	<u>4,288</u>	<u>18,658</u>

(continued)

TOWN OF MELVILLE, LOUISIANA
 Special Revenue Fund
 1982 Sales Tax Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual (Continued)
 Year Ended September 30, 2003
 With Comparative Actual Accounts For the Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Highways and streets:				
Materials	\$ 1,000	\$ 1,088	\$ (88)	\$ 940
Maintenance of equipment	780	280	500	780
Total highways and streets	<u>1,780</u>	<u>1,288</u>	<u>492</u>	<u>1,720</u>
Culture and recreation:				
Utilities	1,090	3,171	(2,121)	3,171
Capital Outlay:				
Public safety - Equipment	-	-	-	580
Total expenditures	<u>\$102,025</u>	<u>\$96,262</u>	<u>\$13,460</u>	<u>\$94,421</u>

TOWN OF MELVILLE, LOUISIANA
Special Revenue Fund
MPV Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 2003

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

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Taxes - sales taxes	\$ 62,808	\$62,532	\$ 1,512	\$ 69,721
Miscellaneous -				
Interest	-	-	-	4
Total revenues	<u>62,808</u>	<u>62,532</u>	<u>1,512</u>	<u>69,725</u>
Expenditures:				
Current -				
General government:				
Collection fees	628	744	(116)	694
Miscellaneous	108	11	89	-
Total expenditures	<u>736</u>	<u>755</u>	<u>(19)</u>	<u>694</u>
Excess of revenues over expenditures	61,288	62,777	1,487	69,047
Other financing uses:				
Operating transfers out	<u>(58,968)</u>	<u>(62,188)</u>	<u>(4,288)</u>	<u>(69,047)</u>
Excess (deficiency) of revenues over expenditures and other uses	2,788	(11)	(2,781)	(2)
Fund balance, beginning	<u>912</u>	<u>912</u>	<u>-</u>	<u>915</u>
Fund balance, ending	<u>\$ 3,712</u>	<u>\$ 902</u>	<u>\$ (2,781)</u>	<u>\$ 912</u>

DEBT SERVICE FUNDS

General Obligation Bonds 051491 Fund

To accumulate monies for payment of the 1991 \$151,800 General Obligation Bonds. Debt service is financed by the levy of a specific ad valorem tax.

Sales Tax Bonds 051491 Fund

To accumulate monies for the payment of the 1991 \$450,000 Sales Tax Bonds. Debt service is financed from the 1989 Sales Tax Fund revenues.

TOWN OF MELVILLE, LOUISIANA
Debt Service Funds

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

	General Obligation Bonds <u>08/1/09/01</u>	Sales Tax Bonds <u>08/1/01/01</u>	Totals	
			2003	2002
ASSETS				
Cash	\$ -	\$ 283	\$ 283	\$12,189
Interest-bearing deposits	1,787	-	1,787	624
Receivables-				
Ad valorem	1,817	-	1,817	1,731
Due from other funds	<u>-</u>	<u>14,868</u>	<u>14,868</u>	<u>-</u>
Total assets	<u>\$ 3,704</u>	<u>\$15,153</u>	<u>\$18,871</u>	<u>\$14,544</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ 296	\$ 296	\$ 296
Fund balances:				
Reserved for debt service	<u>3,704</u>	<u>14,857</u>	<u>18,561</u>	<u>14,248</u>
Total liabilities and fund balances	<u>\$ 3,704</u>	<u>\$15,153</u>	<u>\$18,857</u>	<u>\$14,544</u>

TOWN OF MELVILLE, LOUISIANA
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2003
With Comparative Totals For the Year Ended September 30, 2002

	General	Sales Tax	Totals	
	Obligation Bonds	Bonds	2003	2002
	09/30/03	09/30/02		
Revenues:				
Taxes - ad valorem	\$15,619	\$ -	\$ 15,619	\$ 13,681
Miscellaneous -				
Interest	109	-	109	125
Total revenues	<u>16,728</u>	<u>-</u>	<u>16,728</u>	<u>13,806</u>
Expenditures:				
Debt service-				
Principal retirement	8,817	31,823	40,640	32,530
Interest and fiscal charges	<u>4,742</u>	<u>12,784</u>	<u>17,526</u>	<u>22,022</u>
Total expenditures	<u>13,579</u>	<u>44,607</u>	<u>57,886</u>	<u>54,552</u>
Excess (deficiency) of revenues over expenditures	<u>3,149</u>	<u>(44,607)</u>	<u>(41,458)</u>	<u>(40,746)</u>
Other financing sources (uses):				
Operating transfers in	-	37,378	37,378	42,652
Operating transfers out	-	-	-	(3,088)
Total other financing sources (uses)	<u>-</u>	<u>37,378</u>	<u>37,378</u>	<u>39,564</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>3,149</u>	<u>(7,937)</u>	<u>(4,789)</u>	<u>916</u>
Fund balances, beginning	<u>2,315</u>	<u>21,894</u>	<u>24,249</u>	<u>23,153</u>
Fund balances, ending	<u>\$ 5,764</u>	<u>\$ 14,857</u>	<u>\$ 20,561</u>	<u>\$ 24,069</u>

TOWN OF MELVILLE, LOUISIANA
Debt Service Fund
General Obligation Bonds 08/14/91 Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 2003
With Comparative Actual Amounts For the Year Ended September 30, 2002

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	Budget	Actual		
Revenues:				
Taxes - ad valorem	\$15,000	\$16,619	\$ 1,619	\$15,091
Miscellaneous -				
Interest	<u>110</u>	<u>108</u>	<u>(2)</u>	<u>125</u>
Total revenues	<u>15,110</u>	<u>16,728</u>	<u>1,618</u>	<u>15,816</u>
Expenditures:				
Debt service-				
Principal retirement	8,000	8,627	(627)	7,248
Interest and fiscal charges	<u>5,378</u>	<u>4,742</u>	<u>636</u>	<u>6,079</u>
Total expenditures	<u>13,378</u>	<u>13,379</u>	<u>(1)</u>	<u>13,327</u>
Excess of revenues over expenditures	1,732	3,349	1,617	2,489
Other financing use:				
Operating transfer out	-	-	-	<u>(1,000)</u>
Deficiency of revenues over expenditures and other use	1,732	3,349	1,617	(561)
Fund balance, beginning	<u>2,355</u>	<u>2,355</u>	-	<u>2,816</u>
Fund balance, ending	<u>\$ 4,087</u>	<u>\$ 5,704</u>	<u>\$ 1,617</u>	<u>\$ 2,255</u>

TOWN OF MELVILLE, LOUISIANA
Debt Service Fund
Sales Tax Bonds (88/1459) Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended September 30, 2003

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

	2003		Variance - Favorable (Unfavorable)	2002 Actual
	<u>Budget</u>	<u>Actual</u>		
Expenditures:				
Debt service:				
Principal retirement	\$36,000	\$31,823	\$41,823	\$35,281
Interest and fiscal charges	<u>15,171</u>	<u>12,794</u>	<u>2,377</u>	<u>15,893</u>
Total expenditures	<u>41,171</u>	<u>44,617</u>	<u>(3,446)</u>	<u>41,174</u>
Other financing sources:				
Operating transfers in	<u>37,600</u>	<u>37,576</u>	<u>16,576</u>	<u>41,612</u>
Excess (deficiency) of other sources over expenditures				
	(14,173)	(7,041)	16,576	1,437
Fund balance, beginning	<u>21,894</u>	<u>21,894</u>	-	<u>20,417</u>
Fund balance, ending	<u>\$ 7,721</u>	<u>\$14,853</u>	<u>\$16,576</u>	<u>\$21,894</u>

ENTERPRISE FUND

Utility Fund

To account for the provision of gas, water, and sewer services to residents of the Town. 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 collections.

TOWN OF MIL VILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheet
September 30, 2003 and 2002

	2003	2002
ASSETS		
Current assets:		
Accounts receivable	\$ 43,812	\$ 45,742
Due from other governmental units	4,500	83,138
Other receivable	8,289	9,257
Due from other funds	1,810	-
Total current assets	58,411	138,138
Restricted assets:		
Interest-bearing deposits -		
Gas bond and interest sinking fund	100	30,631
Sewer bond and interest sinking fund	661	916
Gas bond reserve fund	38,610	46,787
Sewer bond reserve fund	32	45,323
Gas bond depreciation and contingency fund	4,036	18,020
Sewer bond depreciation and contingency fund	9	32,787
Customers' deposits	48,785	34,002
Total restricted assets	92,601	188,625
Plant and equipment, at cost	6,478,315	6,417,891
Less accumulated depreciation	(3,288,204)	(3,147,777)
Net plant and equipment	3,190,111	3,270,114
Total assets:	\$4,338,383	\$4,596,852

	2001	2000
LIABILITIES AND FUND EQUITY		
Current liabilities (payable from current assets)		
Cash overdraft	\$ 20,868	\$ 20,862
Accounts payable	49,046	70,712
Contracts payable	4,500	39,807
Retainage payable	-	44,072
Due to other funds	54,687	11,809
Accrued liabilities	3,161	1,308
Total current liabilities payable from current assets	<u>134,442</u>	<u>188,570</u>
Current liabilities (payable from restricted assets)		
Revenue bonds payable	51,809	51,809
Accrued interest payable	17,258	17,678
Customer deposits	48,785	34,802
Total current liabilities payable from restricted assets	<u>117,852</u>	<u>104,299</u>
Total current liabilities	<u>252,294</u>	<u>292,869</u>
Long-term liabilities		
Revenue bonds payable (part of current portion)	<u>895,000</u>	<u>948,000</u>
Total liabilities	<u>1,347,488</u>	<u>1,241,099</u>
Fund equity		
Contributed capital -		
Municipality	73,451	73,451
Federal and state grants, net of accumulated amortization (2000 \$1,432,189; 2001 \$1,542,188)	<u>2,818,187</u>	<u>2,868,746</u>
	<u>2,891,638</u>	<u>2,942,197</u>
Retained earnings -		
Reserved for revenue bond retirement	-	83,945
Unreserved	<u>199,182</u>	<u>211,281</u>
Total retained earnings	<u>199,182</u>	<u>295,226</u>
Total fund equity	<u>3,090,820</u>	<u>3,237,423</u>
Total liabilities and fund equity	<u>\$ 4,338,308</u>	<u>\$ 4,998,522</u>

TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

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

	<u>2003</u>	<u>2002</u>
Operating revenues:		
Charges for services -		
Gas sales	\$233,892	\$196,820
Water utility	82,035	82,237
Sewer sales	90,188	92,181
Debt/asset charges	1,587	12,961
Miscellaneous -		
Service franchise	51,287	58,580
Other	1,718	3,987
Total operating revenues	<u>468,615</u>	<u>407,766</u>
Operating expenses:		
Gas department expenses	138,648	176,848
Water department expenses	115,780	123,668
Sewer department expenses	111,852	126,845
Total operating expenses	<u>366,280</u>	<u>427,361</u>
Operating income (loss)	<u>1,173</u>	<u>(19,595)</u>
Nonoperating revenues (expenses):		
Interest income	1,488	3,707
Interest expense	(73,441)	(80,715)
Total nonoperating revenues (expenses)	<u>(71,953)</u>	<u>(77,008)</u>
Loss before operating transfers	<u>(70,780)</u>	<u>(72,848)</u>
Operating transfers in (out):		
Operating transfers in	33,634	40,973
Operating transfers out	(166,571)	(128,025)
Total operating transfers out	<u>(132,937)</u>	<u>(87,052)</u>
Net loss	<u>(208,736)</u>	<u>(119,981)</u>
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>109,882</u>	<u>108,982</u>
Decrease in retained earnings	<u>(98,854)</u>	<u>(10,999)</u>
Retained earnings, beginning	<u>287,826</u>	<u>287,845</u>
Retained earnings, ending	<u>\$188,972</u>	<u>\$196,846</u>

TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department
Years Ended September 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Gas Department:		
Salaries	\$ 42,619	\$ 45,899
Payroll taxes	3,643	5,718
Natural gas purchases	123,899	60,790
Repairs and maintenance	4,366	4,819
Insurance	5,900	10,343
Office expense	2,474	690
Supplies	2,819	918
Professional fees	2,888	1,658
Telephone	820	1,647
Utilities	1,975	1,342
Depreciation	59,338	40,110
Bad debts	2,240	1,688
Miscellaneous	1,382	1,851
Total gas department	<u>\$178,000</u>	<u>\$178,860</u>
Water Department:		
Salaries	\$ 24,323	\$ 24,432
Payroll taxes	2,050	2,678
Repairs and maintenance	4,358	2,980
Insurance	7,099	7,288
Office expense	1,269	8,464
Supplies	8,341	8,833
Professional fees	5,712	3,838
Telephone	4,834	6,221
Utilities	21,864	19,579
Depreciation	22,156	21,874
Bad debts	760	788
Auto expense	227	187
Miscellaneous	2,282	2,825
Total water department	<u>\$118,780</u>	<u>\$122,164</u>
Sewer Department:		
Salaries	\$ 17,934	\$ 19,224
Payroll taxes	1,833	1,887
Repairs and maintenance	781	14,220
Insurance	1,143	1,173
Office expense	1,176	-
Supplies	2,872	-
Professional fees	1,163	676
Utilities	21,367	13,578
Depreciation	68,987	68,157
Bad debts	748	716
Total sewer department	<u>\$131,802</u>	<u>\$126,350</u>

TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

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

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 3,172	\$ 103,830
Adjustments to reconcile net operating income to net cash provided by operating activities -		
Depreciation	148,481	142,999
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	1,900	(1,985)
Increase in other receivable	(132)	(2,452)
Increase (decrease) in cash overdraft	(7,898)	22,857
Decrease in accounts payable	(28,616)	(9,347)
Increase (decrease) in other accrued liabilities	3,805	(760)
Total adjustments	<u>108,541</u>	<u>151,892</u>
Net cash provided by operating activities	<u>111,713</u>	<u>155,722</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	42,687	-
Cash paid to other funds	(1,800)	-
Transfer from other funds	25,604	40,871
Transfer to other funds	<u>(165,571)</u>	<u>(128,822)</u>
Net cash used for noncapital financing activities	<u>(99,080)</u>	<u>(87,951)</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds	(51,000)	(48,000)
Interest and paying agent fees paid on revenue bonds	(75,811)	(62,882)
Purchase of property, plant and equipment	(137,063)	(171,660)
Increase in customers' deposits	8,783	3,980
Proceeds from water grant	<u>137,063</u>	<u>286,124</u>
Net cash used for capital and related financing activities	<u>(118,048)</u>	<u>(102,438)</u>
Cash flows from investing activities:		
Interest received on interest-bearing deposits	<u>1,449</u>	<u>3,797</u>
Net decrease in cash and cash equivalents	<u>(105,944)</u>	<u>(53,573)</u>
Cash, cash equivalents and restricted cash, beginning of period	<u>188,623</u>	<u>242,200</u>
Cash, cash equivalents and restricted cash, end of period	<u>\$ 82,679</u>	<u>\$ 188,627</u>

(continued)

TOWN OF MELVILLE, LOUISIANA
 Enterprise Fund
 Utility Fund

Comparative Statement of Cash Flows (Continued)
 Years Ended September 30, 2003 and 2002

	2003	2002
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Interest-bearing deposits - restricted	\$ 138,623	\$249,186
Cash and cash equivalents, end of period -		
Interest-bearing deposits - restricted	\$2,681	188,623
Net decrease	\$ (105,944)	\$ (51,373)

TOWNSHIP OF MCDONOUGH, ILLINOIS
Comprehensive Fund
Utility Fund

Schedule of Changes in Assets Conditioned by Borrowing Board Debt Service
Year Ended September 30, 2003

	Interest-bearing deposits, September 30, 2002		Comprehensive Fund		Utility Fund		Comprehensive Fund		Utility Fund	
	Gain/loss and interest	Staking Fund	Gain/loss and interest	Staking Fund	Gain/loss and interest	Staking Fund	Gain/loss and interest	Staking Fund	Gain/loss and interest	Staking Fund
Interest-bearing deposits, September 30, 2002	\$ 20,655	\$ 364	\$ 46,782	\$ 41,523	\$ 18,020	\$ 11,797	\$ 154,923	\$ 11,797	\$ 154,923	\$ 11,797
Cash receipts:										
Transfers from operating accounts	-	11,227	-	-	-	-	-	-	-	-
Transfers from gas bond reserve fund	10,579	-	-	-	-	-	-	-	-	-
Transfers from gas bond contingency fund	32,188	1,280	-	-	-	-	-	-	-	-
Transfers from sewer bond contingent fund	-	12,817	-	-	-	-	-	-	-	-
Transfers from sewer bond reserve fund	-	44,893	-	-	-	-	-	-	-	-
Interest income	-	-	694	283	-	-	187	39	-	39
Total cash receipts	21,767	67,217	694	283	152	152	187	39	152	39
Total interest-bearing deposits available	42,422	93,201	47,226	41,526	18,172	11,949	155,105	12,136	170,075	12,136
Cash disbursements:										
Principal payments	21,260	19,000	-	-	-	-	-	-	-	-
Interest and paying agent fees	11,289	62,541	-	-	-	-	-	-	-	-
Transfers to sewer bond staking fund	-	-	-	43,899	-	-	1,158	62,817	-	62,817
Transfers to gas bond staking fund	-	-	-	-	-	-	13,148	-	-	-
Total cash disbursements	32,549	81,541	18,172	43,899	18,172	62,817	14,306	62,817	62,817	62,817
Interest-bearing deposits, September 30, 2003	\$ 9,873	\$ 11,660	\$ 29,054	\$ 1,127	\$ 3,000	\$ 4,932	\$ 140,799	\$ 5,899	\$ 107,258	\$ 5,899

GENERAL FIXED ASSETS ACCOUNT GROUP

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

TOWN OF MELVILLE, LOUISIANA

Comparative Statement of General Fixed Assets
September 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
General fixed assets, at cost:		
Land	\$ 92,199	\$ 92,199
Buildings	448,062	448,062
Equipment	<u>318,927</u>	<u>318,927</u>
Total general fixed assets	<u>\$ 849,188</u>	<u>\$ 849,188</u>
Investment in general fixed assets		
Property acquired from -		
General obligation bonds	\$ 124,489	\$ 124,489
Federal grants and revenue sharing funds	249,004	249,004
General Fund revenues	286,199	286,199
Sales tax revenues	78,789	78,789
Utility Fund revenues	31,358	31,358
Donations	30,000	30,000
State grant revenues	<u>61,369</u>	<u>61,369</u>
Total investment in general fixed assets	<u>\$ 849,188</u>	<u>\$ 849,188</u>

TOWN OF MELVILLE, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended September 30, 2003

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning of year	\$ 92,159	\$ 446,662	\$ 310,872	\$ 849,693
Additions:	-	-	-	-
Deletions:	-	-	-	-
General fixed assets, end of year	<u>\$ 92,159</u>	<u>\$ 446,662</u>	<u>\$ 310,872</u>	<u>\$ 849,693</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unamortized principal amount on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service funds.

TOWN OF MEEVILLE, LOUISIANA

Statement of Unowed Long-Term Debt

September 30, 2001

With Comparative Totals for September 30, 2000

	General Obligation Bonds	Sales Tax Bonds	Totals
	881,656	681,491	1,563,147
Amount available to debt service funds for debt retirement	\$ 4,504	\$ 14,110	\$ 18,614
Amount to be provided for retirement of general long-term debt:			
From all retirement assets	71,857	-	71,857
From sales tax revenues	-	179,216	179,216
Total amount available and to be provided	\$ 71,857	\$ 179,216	\$ 250,073
GENERAL LONG-TERM DEBT PAYABLE			
Bonds payable	\$ 78,541	\$ 146,349	\$ 224,890
			\$ 116,799

**COMPLIANCE
AND
INTERNAL CONTROL**

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

The Honorable Willie C. Hynes, III, Mayor
and members of the Board of Aldermen
Town of Metairie, Louisiana

We have audited the general purpose financial statements of the Town of Metairie, Louisiana (the Town) as of and for the year ended September 30, 2003, and have issued our report thereon dated January 15, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and 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 two instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan at items 85-1(C) and 85-2(C).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. This reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan at item 83-3(C).

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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 financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described in the accompanying schedule of current and prior year audit findings and corrective action plan at Item 31-33(C) is a material weakness. We noted other matters involving the internal control over financial reporting that we have reported to management of the Town of Melville in a separate letter dated January 13, 2004.

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

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

Lafayette, Louisiana
January 13, 2004

TOWNSHIP OF MELVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plans

Year Ended September 30, 2003

Finding Initials	Compliance Year (90/90)	Description of Finding	Corrective Action		Name of Contact Person	Anticipated Completion Date
			Taken	Corrective Action Planned		
00-07C	2001	The Town failed to comply with its Gas and Sewer Bond agreements with the United States Department of Agriculture by failing to collect revenues sufficient to provide funds for operation and debt service requirements.	Yes	The Town of Melville is making monthly payments directly to USDA through electronic funds transfers and the Town has increased efforts to collect utility revenues.	Jessica Leundy, Towns Clerk	08/20/04
00-20C	2001	The Town of Melville was in non-compliance with Louisiana Revised Statute 18:1118 of the Louisiana Local Government Budget Act when total revenues in the General Fund failed to meet budgeted revenues by five percent and total expenditures in the 1991 Sales Tax Receipt Fund exceeded budgeted expenditures by more than five percent.	Yes	The Town concurs with this finding and will more closely monitor revenues and expenditures.	Jessica Leundy, Towns Clerk	08/20/04
Internal Control:						
00-30C	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Jessica Leundy, Towns Clerk	N/A
Management Letter:						
01-03ML	1999	The Town of Melville should closely monitor expenditures and revenues in all areas in order to meet its current and long-term obligations.	No	Town officials will closely monitor expenditures in order to guarantee the cash flow necessary to meet current and long-term obligations.	Jessica Leundy, Towns Clerk	08/20/04

(continued)

TOWN OF MELVILLE, LOUISIANA

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

Ref. No.	Finding Initially Observed	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
01-004L	2002	Town officials should continue to account receivables software for utility billings. During the year ended September 30, 2003, numerous problems were encountered with the software including loss of data. This led to difficulty in determining the actual amount of utility accounts receivable.	Yes	The Town concurs with this comment and will review charges for services Town Clerk and collection procedures.	Jessica Landry, Town Clerk	09/30/04
01-004E	2003	The Town should seek reimbursement from a local utility for the damages of \$4,314 made to the Town's gas system.	Yes	The Town has instructed its attorney to seek collection of this amount; however it was not collected as of September 30, 2003.	Jessica Landry, Town Clerk	09/30/03
PRIOR YEAR (00-000)						
00-01C						
00-01C	2002	The Town of Melville violated Louisiana Revised Statute 42:1182 of the code of Ethics Law by paying officials by purchasing supplies of \$9,187 from one of its constituent businesses. Although the Town's population is less than 1,000, the Town did not comply with Board of Ethics requirements to submit a plan and quarterly affidavits to the Board of Ethics for approval of these purchases.	No	The Town concurs with this finding and will comply with Louisiana Revised Statute 42:1103 in the future.	Jessica Landry, Town Clerk	09/30/03
00-01C	2002	The Town violated Louisiana Revised Statute 38:212 of the Public Bid Law by not properly holding consideration of an \$18,493 invoice for the work.	No	The Town concurs with this finding and will comply with Louisiana Revised Statute 38:212 in the future.	Jessica Landry, Town Clerk	09/30/03

(continued)

TOWN OF HELLVILLE, LOUISIANA

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

Findings Initially Occurred	Description of Finding	Corrective Action Status	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
86-0471 2001	The Town failed to comply with its Gas and Sewer Bond Agreements with the United States Department of Agriculture by failing to collect revenues sufficient to provide funds for operation and debt service requirements.	No	The Town concurs with this finding and intends to comply with the requirements of its Gas and Sewer Bond Agreements with the United States Department of Agriculture.	Jessica Landry, Town Clerk	08/31/03
Internal Control 02-0373 2002	Utility receivables have not been collected timely; town employees and the mayor have also been late in paying their utility bills. The Town should adhere to its contract policy and initiate collection procedures in order to provide sufficient funds to pay for operations and debt service.	No	The Town concurs with this finding and will follow its contract procedures for utility billings.	Jessica Landry, Town Clerk	08/31/03
81-0310 2002	The Town does not have a policy concerning use of cell phones and travel reimbursements. The Town should implement a policy to ensure proper use of cell phones and travel reimbursements.	No	The Town concurs with this finding and will develop policies to address cell phone use and travel reimbursements.	Jessica Landry, Town Clerk	09/30/03
82-0302 Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Jessica Landry, Town Clerk	N/A

(continued)

TOWNS OF MELVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plans (Continued)

Year Ended September 30, 2003

Ref. No.	Finding Initiated Occurrence	Description of Finding	Corrective Action		Names of Committee Members	Anticipated Completion Date
			Taken	Corrective Action Planned		
02-37(44)	2002	The Sewer Depreciation and Contingency Fund should reimburse the Gas Depreciation and Contingency Fund for funds erroneously withdrawn for sewer system repairs.	No	The Town concurs with this comment and will correct the balances.	Janice Lusby, Town Clerk	09/30/03
02-43(44)	2002	Town officials should closely monitor expenditures/expenses in all areas in order to meet its current and long-term obligations.	Yes	The Town concurs with this comment and has engaged an accounting firm to advise them on their financial condition on a monthly basis.	Janice Lusby, Town Clerk	09/30/03
02-02(44)	2003	Town officials should examine its accounts receivable software for utility billings. During the year ended September 30, 2002, numerous problems were encountered with the software including loss of data. This led to difficulty in determining the actual amount of utility accounts receivable.	No	The Town concurs with this comment and will work with its software vendor to correct its accounts receivable.	Janice Lusby, Town Clerk	09/30/03
02-10(44)	2003	Town officials should review its charges to citizens for services and ensure procedures are in effect to charge correct fees and collect timely.	No	The Town concurs with this comment and will revise charges for services and collection procedures.	Janice Lusby, Town Clerk	09/30/03

OTHER SUPPLEMENTAL INFORMATION

TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
September 30, 2003 and 2002

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

<u>Department</u>	<u>2003</u>	<u>2002</u>
Gas (metered)	481	517
Water	381	381
Sewer	329	331

TOWN OF HILLSVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended September 30, 2007 and 2006

	Total	
	2007	2006
Operating revenues:		
Charges for services -		
Customers	\$402,181	\$311,226
Other charges	1,497	12,960
Miscellaneous -		
Street franchise	81,287	82,588
Other	1,734	7,487
Total operating revenues	<u>486,699</u>	<u>434,761</u>
Operating expenses:		
Salaries	82,896	91,220
Payroll taxes	3,771	40,810
Matured gas purchases	120,389	80,198
Repairs and maintenance	9,744	21,264
Insurance	18,139	18,582
Office supplies	3,279	9,064
Supplies	14,367	9,790
Professional fees	9,833	8,692
Telephone	2,654	7,119
Utilities	19,246	24,621
Depreciation	148,481	142,198
Bad debts	3,748	3,120
Auto expenses	227	167
Miscellaneous	2,676	2,898
Total operating expenses	<u>492,682</u>	<u>438,187</u>
Operating income (loss)	<u>1,773</u>	<u>(13,426)</u>
Nonoperating revenues (expenses):		
Interest income	1,449	3,707
Interest expense	<u>(71,833)</u>	<u>(86,711)</u>
Total nonoperating expenses	<u>(70,384)</u>	<u>(83,004)</u>
Loss before operating transfers	<u>(72,288)</u>	<u>(72,849)</u>
Operating transfers in/(out):		
Operating transfers in	27,624	46,971
Operating transfers out	<u>(155,219)</u>	<u>(128,612)</u>
Total operating transfers out	<u>(127,595)</u>	<u>(81,641)</u>
Net loss	<u>(104,720)</u>	<u>(128,961)</u>
ADD: Depreciation on fixed assets acquired by federal grant revenues voluntarily restricted for capital acquisitions and construction that reduces contributed capital	<u>100,982</u>	<u>109,981</u>
Decrease in retained earnings	<u>(3,738)</u>	<u>(18,980)</u>
Retained earnings, beginning	<u>307,326</u>	<u>347,841</u>
Retained earnings, ending	<u>293,588</u>	<u>328,861</u>

Gas		Water		Sewer	
2009	2008	2009	2008	2009	2008
\$100,891	\$100,829	\$ 87,873	\$ 83,115	\$ 91,188	\$ 92,178
861	7,128	394	2,722	371	3,411
38,711	30,348	10,561	28,110	-	-
38	81.7	1,831	1,022	-	-
<u>280,475</u>	<u>268,213</u>	<u>209,629</u>	<u>183,219</u>	<u>91,559</u>	<u>95,600</u>
41,619	43,887	14,333	26,432	17,894	18,238
3,645	6,718	3,893	1,678	1,533	1,417
123,899	60,098	-	-	-	-
4,305	4,009	4,388	3,980	787	14,238
3,902	10,143	7,894	7,368	1,143	3,171
2,478	688	1,589	3,464	1,178	-
1,829	938	3,331	3,833	2,872	-
2,885	1,608	5,771	3,318	1,335	678
820	1,087	4,824	6,210	-	-
1,478	1,740	11,884	18,319	18,367	13,870
35,338	40,159	11,126	32,874	68,287	68,317
2,280	1,688	788	700	748	715
-	-	207	307	-	-
1,387	1,001	1,289	1,812	-	-
<u>308,692</u>	<u>276,048</u>	<u>215,758</u>	<u>201,354</u>	<u>111,852</u>	<u>109,882</u>
\$ 27,883	\$ 19,175	\$ 65,134	\$ 28,635	\$ 100,275	\$ 128,887

TOWNSHIP OF MELVILLE, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
September 30, 2009

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation - Employer's liability	\$ 100,000
Surety Bonds -	
Treasurer	201,000
Town clerk	201,000
Assistant clerk	101,000
Mayor	101,000
Fire, Extended Coverage, Blanket Policy: All Town buildings and contents	1,171,000
Comprehensive Liability and Collision: Fire trucks, police car, and utility vehicles	100,000
Commercial General Liability Policy	500,000
Public Officials Errors and Omissions	100,000
Law Enforcement Officers Liability Coverage	100,000