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TOWN OF GUEYDAN, LOUISIANA

Financial Statements

Year Ended December 31, 2003

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

Release Date 6-16-04

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

The Honorable Chris Theriot, Mayor,
and Members of the Board of Aldermen
Town of Gueydan, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Gueydan, Louisiana, as of and for the year ended December 31, 2003, which collectively comprise the Town's basic financial statements of the Town's primary government as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the primary government of the Town of Gueydan, Louisiana, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the basic financial statements, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, Statement No. 37, Basic Financial Statements - And Management's Discussion and Analysis - For State and Local Governments: Omnibus, Statement No. 38 Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. This results in a change in the format and content of the basic financial statements.

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In accordance with Government Auditing Standards, we have also issued our report dated April 16, 2004, on our consideration of the Town of Gueydan, 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.

The required supplementary information on pages 35 through 36 are not a required part of the basic financial statements but are supplementary information required by accounting principals generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Gueydan, Louisiana's basic financial statements. The other supplementary information on pages 39 through 64 presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the primary government financial statements of the Town of Gueydan, Louisiana.

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

Abbeville, Louisiana
April 16, 2004

BASIC FINANCIAL STATEMENTS

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

TOWN OF GUEYDAN, LOUISIANA

Statement of Net Assets
December 31, 2003

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 769,939	\$ 923,189	\$ 1,693,128
Receivables, net	-	172,412	172,412
Other receivables	14,434	53,377	67,811
Internal balances	43,866	(43,866)	-
Due from other governmental units	49,352	-	49,352
Prepaid items	6,233	1,951	8,184
Total current assets	<u>883,824</u>	<u>1,107,063</u>	<u>1,990,887</u>
Noncurrent assets:			
Restricted assets -			
Interest bearing deposits	-	25,625	25,625
Capital assets, net	9,756,351	5,357,360	15,113,711
Total noncurrent assets	<u>9,756,351</u>	<u>5,382,985</u>	<u>15,139,336</u>
Total assets	<u>10,640,175</u>	<u>6,490,048</u>	<u>17,130,223</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	<u>7,809</u>	<u>88,590</u>	<u>96,399</u>
Noncurrent liabilities:			
Customers' deposits	<u>-</u>	<u>25,625</u>	<u>25,625</u>
Total liabilities	<u>7,809</u>	<u>114,215</u>	<u>122,024</u>
NET ASSETS			
Invested in capital assets	9,756,351	-	9,756,351
Restricted for debt service	24,918	-	24,918
Unrestricted	688,881	6,375,833	7,064,714
Total net assets	<u>\$ 10,632,366</u>	<u>\$6,375,833</u>	<u>\$ 17,008,199</u>

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

TOWN OF GUEYDAN, LOUISIANA

Statement of Activities
For the Year Ended December 31, 2003

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 219,307	\$ 70,055	\$ -	\$ 23,000	\$ (126,252)	\$ -	\$ (126,252)
Public safety:							
Police	161,971	5,573	-	11,966	(144,432)	-	(144,432)
Fire	145,305	7,675	23,002	-	(114,628)	-	(114,628)
Public works	437,835	7,130	-	-	(430,705)	-	(430,705)
Total governmental activities	964,418	90,433	23,002	34,966	(816,017)	-	(816,017)
Business-type activities:							
Electricity	1,099,526	1,647,181	-	-	-	547,655	547,655
Gas	348,395	400,062	-	-	-	51,667	51,667
Water	129,518	66,753	-	287,172	-	224,407	224,407
Sewer	154,744	80,816	-	-	-	(73,928)	(73,928)
Total business-type activities	1,732,183	2,194,812	-	287,172	-	749,801	749,801
Total	\$ 2,696,601	\$ 2,285,245	\$ 23,002	\$ 322,138	(816,017)	749,801	(66,216)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					18,660	-	18,660
Sales and use taxes, levied for general purposes					160,936	-	160,936
Beer taxes					2,772	-	2,772
Grants and contributions not restricted to specific programs -							
State sources					1,967	-	1,967
Interest and investment earnings					10,100	6,978	17,078
Miscellaneous					3,212	-	3,212
Transfers					454,077	(454,077)	-
Total general revenues and transfers					651,724	(447,099)	204,625
Change in net assets					(164,293)	302,702	138,409
Net assets - January 1, 2003					10,796,659	6,073,131	16,869,790
Net assets - December 31, 2003					\$ 10,632,366	\$ 6,375,833	\$ 17,008,199

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Sales Tax Special Revenue Fund

To account for the receipt and use of proceeds of the Town's one percent sales and use tax. These taxes are dedicated to the following purposes: constructing, acquiring, extending, and improving the natural gas, waterworks, and sewer systems; and paying principal and interest on bonded or funded indebtedness.

Enterprise Fund

Utility Fund -

To account for the provision of light, gas, water, and sewerage 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 collection

TOWN OF GUEYDAN, LOUISIANA

Balance Sheet
Governmental Funds
December 31, 2003

	<u>General</u>	<u>Sales Tax Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Totals</u>	
				2003	2002
ASSETS					
Cash	\$ 33,060	\$ 133,014	\$ 41,397	\$ 207,471	\$ 193,192
Interest-bearing deposits	249,213	313,255	-	562,468	643,235
Receivables:					
Ad valorem tax	10,514	-	-	10,514	10,514
Franchise tax	2,195	-	-	2,195	
Accrued interest	494	1,231	-	1,725	3,150
Due from other governmental units	15,995	31,737	1,620	49,352	56,674
Due from other funds	44,483	-	-	44,483	44,483
Prepaid items	6,233	-	-	6,233	6,233
Total assets	<u>\$ 362,187</u>	<u>\$ 479,237</u>	<u>\$ 43,017</u>	<u>\$ 884,441</u>	<u>\$ 957,481</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 6,503	\$ -	\$ -	\$ 6,503	\$ 20,156
Accrued expenses	1,306	-	-	1,306	1,306
Due to other funds	-	617	-	617	57,927
Total liabilities	<u>7,809</u>	<u>617</u>	<u>-</u>	<u>8,426</u>	<u>79,389</u>
Fund balances:					
Reserved for prepaid items	6,233	-	-	6,233	6,233
Reserved for debt service	-	-	24,918	24,918	24,918
Unreserved, undesignated	348,145	478,620	18,099	844,864	846,941
Total fund balances	<u>354,378</u>	<u>478,620</u>	<u>43,017</u>	<u>876,015</u>	<u>878,092</u>
Total liabilities and fund balances	<u>\$ 362,187</u>	<u>\$ 479,237</u>	<u>\$ 43,017</u>	<u>\$ 884,441</u>	<u>\$ 957,481</u>

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

TOWN OF GUEYDAN, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2003

Total fund balances for governmental funds at December 31, 2003		\$ 876,015
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 26,949	
Buildings, net of \$48,627 accumulated depreciation	723,576	
Infrastructure, net of \$2,397,670 accumulated depreciation	8,477,035	
Equipment, furniture, and fixtures net of \$403,807 accumulated depreciation	250,893	
Improvements other than buildings, net of \$512,643 accumulated depreciation	<u>277,898</u>	<u>9,756,351</u>
Total net assets of governmental activities at December 31, 2003		<u>\$10,632,366</u>

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

TOWN OF GUEYDAN, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 For the Year Ended December 31, 2003
 With Comparative Actual Amounts for the Year Ended December 31, 2002

	General	Sales Tax Special Revenue	Other Governmental Funds	Totals	
				2003	2002
Revenues:					
Taxes	\$ 18,660	\$160,936	\$ -	\$179,596	\$ 175,337
Licenses and permits	56,594	-	-	56,594	54,969
Intergovernmental	37,740	-	1,967	39,707	50,689
Charges for services	2,191	-	-	2,191	2,010
Fines and forfeits	5,573	-	-	5,573	4,754
Interest	1,248	8,852	-	10,100	9,681
Other	<u>52,287</u>	<u>-</u>	<u>-</u>	<u>52,287</u>	<u>57,480</u>
Total revenues	<u>174,293</u>	<u>169,788</u>	<u>1,967</u>	<u>346,048</u>	<u>354,920</u>
Expenditures:					
Current -					
General government	195,944	3,190	-	199,134	184,995
Public safety	285,785	-	550	286,335	261,551
Public works	244,199	-	-	244,199	229,652
Capital outlays	<u>72,534</u>	<u>-</u>	<u>-</u>	<u>72,534</u>	<u>156,473</u>
Total expenditures	<u>798,462</u>	<u>3,190</u>	<u>550</u>	<u>802,202</u>	<u>832,671</u>
(Deficiency) excess of revenues over expenditures	<u>(624,169)</u>	<u>166,598</u>	<u>1,417</u>	<u>(456,154)</u>	<u>(477,751)</u>
Other financing sources (uses):					
Transfers in	550,000	-	-	550,000	672,894
Transfers out	<u>-</u>	<u>(95,923)</u>	<u>-</u>	<u>(95,923)</u>	<u>(420,446)</u>
Total other financing sources (uses)	<u>550,000</u>	<u>(95,923)</u>	<u>-</u>	<u>454,077</u>	<u>252,448</u>
Net changes in fund balances	(74,169)	70,675	1,417	(2,077)	(225,303)
Fund balances, beginning	<u>428,547</u>	<u>407,945</u>	<u>41,600</u>	<u>878,092</u>	<u>1,103,395</u>
Fund balances, ending	<u>\$354,378</u>	<u>\$478,620</u>	<u>\$43,017</u>	<u>\$876,015</u>	<u>\$ 878,092</u>

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

TOWN OF GUEYDAN, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2003

Total net changes in fund balances at December 31, 2003 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (2,077)
The change in net assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 72,534
Depreciation expense for the year ended December 31, 2003	<u>(234,750)</u> <u>(162,216)</u>
Total changes in net assets at December 31, 2003 per Statement of Activities	<u>\$ (164,293)</u>

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

TOWN OF GUEYDAN, LOUISIANA

Proprietary Fund
Comparative Statement of Net Assets
December 31, 2003 and 2002

	Business-type Activities - Enterprise Fund	
	<u>2003</u>	<u>2002</u>
ASSETS		
Current assets:		
Cash	\$ 150,035	\$ 141,995
Interest-bearing deposits	773,154	1,431,497
Accounts receivable, net of allowance	172,412	161,726
Unbilled utility receivables	51,206	51,423
Accrued interest receivable	2,171	4,213
Due from other governments	-	148,580
Due from other funds	-	13,444
Prepaid expenses	1,951	1,951
Total current assets	<u>1,150,929</u>	<u>1,954,829</u>
Noncurrent assets:		
Restricted assets -		
Interest-bearing deposits	25,625	27,945
Capital assets, net of accumulated depreciation	<u>5,357,360</u>	<u>4,571,624</u>
Total noncurrent assets	<u>5,382,985</u>	<u>4,599,569</u>
Total assets	<u>6,533,914</u>	<u>6,554,398</u>
LIABILITIES		
Current liabilities:		
Accounts payable	29,130	219,542
Sales tax payable	15,305	-
Contracts payable	23,201	189,583
Retainage payable	20,434	43,677
Accrued expenses	520	520
Due to other funds	43,866	-
Total current liabilities	132,456	453,322
Noncurrent liabilities:		
Customers' deposits	<u>25,625</u>	<u>27,945</u>
Total liabilities	<u>158,081</u>	<u>481,267</u>
NET ASSETS		
Unrestricted	<u>6,375,833</u>	<u>6,073,131</u>
Total net assets	<u>\$6,375,833</u>	<u>\$6,073,131</u>

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

TOWN OF GUEYDAN, LOUISIANA

Proprietary Fund

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets
Years Ended December 31, 2003 and 2002

	Business-Type Activities Enterprise Fund	
	<u>2003</u>	<u>2002</u>
Operating revenues:		
Charges for services	\$2,183,972	\$2,014,923
Miscellaneous	<u>10,840</u>	<u>10,459</u>
Total operating revenues	<u>2,194,812</u>	<u>2,025,382</u>
Operating expenses:		
Electric department expenses	1,058,650	1,043,023
Gas department expenses	311,979	264,549
Water department expenses	53,575	42,836
Sewerage department expenses	81,464	62,994
Depreciation	<u>226,515</u>	<u>218,328</u>
Total operating expenses	<u>1,732,183</u>	<u>1,631,730</u>
Operating income	462,629	393,652
Nonoperating revenues:		
Interest income	<u>6,978</u>	<u>24,697</u>
Income before contributions and transfers	<u>469,607</u>	<u>418,349</u>
Capital contributions	<u>287,172</u>	<u>289,107</u>
Transfers in (out):		
Transfers in	95,923	418,000
Transfers out	<u>(550,000)</u>	<u>(670,448)</u>
Total transfers in (out)	<u>(454,077)</u>	<u>(252,448)</u>
Change in net assets	302,702	455,008
Net assets, beginning	<u>6,073,131</u>	<u>5,618,123</u>
Net assets, ending	<u>\$6,375,833</u>	<u>\$6,073,131</u>

The accompanying notes are an integral part of the basic statement.

TOWN OF GUEYDAN, LOUISIANA

Comparative Statement of Cash Flows
Proprietary Fund

For the Years Ended December 31, 2003 and 2002

	Business-Type Activities Enterprise Fund	
	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Receipts from customers	\$2,173,503	\$1,990,799
Payments to suppliers	(1,713,022)	(899,856)
Payments to employees	(157,378)	(151,259)
Other receipts	<u>10,840</u>	<u>10,096</u>
Net cash provided by operating activities	<u>313,943</u>	<u>949,780</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	57,310	1,085
Transfers from other funds	95,923	418,000
Transfers to other funds	<u>(550,000)</u>	<u>(670,448)</u>
Net cash used by noncapital financing activities	<u>(396,767)</u>	<u>(251,363)</u>
Cash flows from capital and related financing activities:		
Net meter deposits	(2,320)	(1,215)
Proceeds from capital grants	435,751	140,527
Acquisition of property, plant and equipment	<u>(1,012,250)</u>	<u>(831,909)</u>
Net cash used by capital and related financing activities	<u>(578,819)</u>	<u>(692,597)</u>
Cash flows from investing activities:		
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	357,503	346,624
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(364,505)	(357,503)
Interest on investments	<u>9,020</u>	<u>28,640</u>
Net cash provided by investing activities	<u>2,018</u>	<u>17,761</u>
Net increase (decrease) in cash and cash equivalents	(659,625)	23,581
Cash and cash equivalents, beginning of period	<u>1,243,934</u>	<u>1,220,353</u>
Cash and cash equivalents, end of period	<u>\$ 584,309</u>	<u>\$1,243,934</u>

(continued)

TOWN OF GUEYDAN, LOUISIANA
Comparative Statement of Cash Flows
Proprietary Fund (continued)
Years Ended December 31, 2003 and 2002

	Business-Type Activities Enterprise Fund	
	2003	2002
Cash flows from operating activities:		
Operating income	\$ 462,629	\$ 393,652
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	226,515	218,328
Changes in assets and liabilities:		
Increase in accounts receivable	(10,686)	(27,041)
Increase in prepaid expenses	-	(359)
Decrease in unbilled utilities receivable	217	2,917
(Decrease) Increase in accounts payable	(190,412)	128,542
(Decrease) increase in contracts payable	(166,382)	189,583
Increase in sales tax payable	15,305	-
(Decrease) increase in retainage payable	(23,243)	43,677
Increase in accrued expenses	-	481
Net cash provided by operating activities	<u>\$ 313,943</u>	<u>\$ 949,780</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash- unrestricted	141,995	70,254
Interest-bearing deposits, unrestricted	1,431,497	1,467,562
Interest-bearing deposits, restricted	27,945	29,160
Less: Interest-bearing deposits with a maturity in excess of 90 days	<u>(357,503)</u>	<u>(346,623)</u>
Total cash and cash equivalents	<u>1,243,934</u>	<u>1,220,353</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, end of period -		
Cash- unrestricted	150,035	141,995
Interest-bearing deposits, unrestricted	773,154	1,431,497
Interest-bearing deposits, restricted	25,625	27,945
Less: Interest-bearing deposits with a maturity in excess of 90 days	<u>(364,505)</u>	<u>(357,503)</u>
Total cash and cash equivalents	<u>584,309</u>	<u>1,243,934</u>
Net increase (decrease)	<u>\$(659,625)</u>	<u>\$ 23,581</u>

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Gueydan (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsection of this note. For the fiscal year ended December 31, 2003, the Town implemented the new financial reporting requirements of GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. As a result, an entirely new financial presentation format has been implemented.

A. Financial Reporting Entity

The Town was incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town of Gueydan has no such component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

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

Fund Financial Statements

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

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

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

The major funds of the Town are described below:

Governmental Funds -

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.

The Sales Tax Special Revenue Fund accounts for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

Additionally, the Town reports the following fund types:

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 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.

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).

Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows.

Enterprise funds

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.

C. Measurement Focus/Basis of Accounting

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

Measurement Focus

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

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

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

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Town's general revenues.

Allocation of indirect expenses

The Town reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased. See Note (3) for additional GASB No. 3 disclosures.

Investments

Under state law the Town may deposit funds with a fiscal agent 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 United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Interfund receivables and payables

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2003, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for uncollectibles for customers' utility receivables at December 31, 2003 and 2002 was \$3,097 and \$2,905, respectively. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to January 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Land and construction in progress are not depreciated. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	25-50 years

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

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

Compensated Absences

Town employees are entitled to certain compensated absences based upon their length of service.

Sick and vacation leave is awarded on a calendar year basis and cannot be carried over to the next year; therefore, no liability for compensated absences is recorded in the financial statements.

Restricted Assets

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

Long-term debt

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

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

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

Equity Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

F. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 5

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

G. 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 each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board of Aldermen.

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

H. Use of Estimates

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

I. Report Classification

Certain previously reported amounts for the year ended December 31, 2002 have been reclassified to conform to the December 31, 2003 classifications.

(2) Changes in Accounting Principles

For the year ended December 31, 2003, the Town has implemented GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Town’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The Town also implemented GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, No. 37, Basic Financial Statements – And Management’s Discussion and Analysis – For State and Local Governments: Omnibus, No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. At December 31, 2002, there was no effect on fund balance as a result of implementation of GASB Statement No. 33.

The implementation of GASB Statement No. 34 caused the opening fund balance at December 31, 2002 to be restated in terms of “net assets” as follows:

Total fund balances - Governmental Funds - at December 31, 2002		\$ 878,092
Add: Cost of capital assets at December 31, 2002	\$ 13,077,638	
Less: Accumulated depreciation at December 31, 2002	<u>3,159,071</u>	<u>9,918,567</u>
Net assets at December 31, 2002		<u>\$10,796,659</u>

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

(3) 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 December 31, 2003, the Town has cash and interest-bearing deposits (book balances) totaling \$1,718,753 as follows:

Demand deposits	\$ 376,243
Savings and certificates of deposit	<u>1,342,510</u>
Total	<u>\$ 1,718,753</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 December 31, 2003, are as follows:

Bank balances	<u>\$ 1,822,272</u>
At December 31, 2003 the deposits are secured as follows:	
Federal deposit insurance	269,612
Pledged securities (Category 3)	<u>1,552,660</u>
Total	<u>\$ 1,822,272</u>

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 Town's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand. See Note (1)D for additional GASB No. 3 disclosures.

(4) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town on December 1 and are due by February 28. The Town bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended December 31, 2003, taxes of 4.22 mills were levied on property with assessed valuations totaling \$4,278,350 and were dedicated for general purposes.

Total taxes levied were \$18,055. Taxes receivable at December 31, 2003 were \$10,514.

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

(5) Dedication of Proceeds and Flow of Funds - 1 Percent Sales and Use Tax

A one percent sales and use tax levied by the Town (2003 collections \$160,936; 2002 \$146,051) is dedicated to the following purposes:

Constructing, acquiring, improving and maintaining the Town's natural gas, waterworks and sewer systems, or for any one or more of said purposes, including payment of principal and interest on any bonded or funded indebtedness of the Town incurred for any of said purposes; and the town shall be further authorized to fund the proceeds of the tax into bonds from time to time for any one or more of the aforesaid purposes.

(6) Receivables

Receivables at December 31, 2003 of \$240,223 consist of the following:

	<u>General</u>	<u>Sales Tax</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ 172,412	\$ 172,412
Unbilled utility	-	-	51,206	51,206
Taxes:				
Ad valorem	10,514	-	-	10,514
Franchise	2,195	-	-	2,195
Interest	<u>494</u>	<u>1,231</u>	<u>2,171</u>	<u>3,896</u>
Totals	<u>\$ 13,203</u>	<u>\$ 1,231</u>	<u>\$ 225,789</u>	<u>\$ 240,223</u>

(7) Due from Other Governmental Units

Amounts due from other governmental units consisted of the following at December 31, 2003:

Amount due from the Vermilion Parish Police Jury for 2% fire insurance tax for fiscal year ending December 31, 2003	\$ 2,862
Amount due from the Vermilion Parish Police Jury for incorporated sales taxes for the month of December, 2003	31,737
Amount due from the State of Louisiana for state revenue sharing for the fiscal year ended December 31, 2003	1,620
Amount due from the State of Louisiana for grass cutting along state highways during fiscal year ended December 31, 2003	1,167
Amount due from the State of Louisiana for rural development grant revenues earned during fiscal year ended June 30, 2003	<u>11,966</u>
	<u>\$ 49,352</u>

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

(8) Restricted Assets - Proprietary Fund Type (Enterprise Utility Fund)

At December 31, 2003, restricted assets consisted of customers' deposits totaling \$25,625.

(9) Capital Assets

Capital asset activity for the year ended December 31, 2003 was as follows:

	Balance 01/01/03	Additions	Deletions	Balance 12/31/03
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 26,949	\$ -	\$ -	\$ 26,949
Other capital assets:				
Buildings	772,248	-	-	772,248
Infrastructure	10,874,705	-	-	10,874,705
Equipment, furniture and fixtures	622,151	60,518	27,969	654,700
Improvements other than buildings	781,585	12,016	3,060	790,541
Totals	<u>13,077,638</u>	<u>72,534</u>	<u>31,029</u>	<u>13,119,143</u>
Less accumulated depreciation				
Buildings	28,864	19,808	-	48,672
Infrastructure	2,234,875	162,795	-	2,397,670
Equipment, furniture and fixtures	397,809	33,967	27,969	403,807
Improvements other than buildings	497,523	18,180	3,060	512,643
Total accumulated depreciation	<u>3,159,071</u>	<u>234,750</u>	<u>31,029</u>	<u>3,362,792</u>
Governmental activities, capital assets, net	<u>\$ 9,918,567</u>	<u>\$ (162,216)</u>	<u>\$ -</u>	<u>\$ 9,756,351</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 794,297	\$ 245,566	\$ 794,297	\$ 245,566
Other capital assets:				
Electric system	1,462,873	89,645	-	1,552,518
Gas system	1,037,142	458,440	-	1,495,582
Water system	2,456,362	1,012,897	-	3,469,259
Sewer system	2,620,871	-	-	2,620,871
Totals	<u>8,371,545</u>	<u>1,806,548</u>	<u>794,297</u>	<u>9,383,796</u>
Less accumulated depreciation				
Electric system	1,136,717	40,876	-	1,177,593
Gas system	501,439	36,416	-	537,855
Water system	721,431	75,943	-	797,374
Sewer system	1,440,334	73,280	-	1,513,614
Total accumulated depreciation	<u>3,799,921</u>	<u>226,515</u>	<u>-</u>	<u>4,026,436</u>
Business-type activities, capital assets, net	<u>\$ 4,571,624</u>	<u>\$ 1,580,033</u>	<u>\$ 794,297</u>	<u>\$ 5,357,360</u>

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 20,173
Public safety	20,941
Public works	<u>193,636</u>
 Total depreciation expense	 <u>\$ 234,750</u>

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

Electric	\$ 40,876
Gas	36,416
Water	75,943
Sewer	<u>73,280</u>
 Total depreciation expense	 <u>\$ 226,515</u>

(10) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at December 31, 2003:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 6,503	\$ 29,130	\$ 35,633
Contracts payable	-	23,201	23,201
Retainage payable	-	20,434	20,434
Other liabilities	<u>1,306</u>	<u>15,825</u>	<u>17,131</u>
 Totals	 <u>\$ 7,809</u>	 <u>\$ 88,590</u>	 <u>\$ 96,399</u>

(11) Employee Retirement

All employees of the Town are participants of the Social Security System. For the year ended December 31, 2003, the Town and its employees contributed a percentage of each employee's salary to the System (7.65% contributed by the Town, 7.65% by the employee). The Town's contribution during the year ended December 31, 2003, amounted to \$46,520. Membership in the Municipal Police Employees' Retirement System (MPERS) is mandatory for any full-time officer meeting the statutory criteria, provided they do not participate in the Social Security System. Since all Town employees are participants in the Social Security System, the Town had no required contributions to MPERS for the year ended December 31, 2003.

TOWN OF GUEYDAN, LOUISIANA
Notes to Financial Statements (Continued)

(12) Commitments and Contingencies

Litigation

At December 31, 2003, there is a single suit pending against the Town. Counsel for the Town is of the opinion that the likelihood of loss to the Town is remote.

Construction Contracts

Contractual commitments for improvements to the Town's utility facilities totaled \$80,859; however, most of the funding for these projects is from state grants.

(13) Segment Information for the Enterprise Fund

The Town of Gueydan maintains one enterprise fund with four departments providing electric, gas, water, and sewerage services. Segment information for the year ended December 31, 2003 was as follows:

	<u>Electric Dept.</u>	<u>Gas Dept.</u>	<u>Water Dept.</u>	<u>Sewerage Dept.</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$ 1,647,181</u>	<u>\$ 400,062</u>	<u>\$ 66,753</u>	<u>\$ 80,816</u>	<u>\$ 2,194,812</u>
Operating expenses:					
Depreciation	40,876	36,416	75,943	73,280	226,515
Other	<u>1,058,650</u>	<u>311,979</u>	<u>53,575</u>	<u>81,464</u>	<u>1,505,668</u>
Total operating expenses	<u>1,099,526</u>	<u>348,395</u>	<u>129,518</u>	<u>154,744</u>	<u>1,732,183</u>
Operating income (loss)	<u>\$ 547,655</u>	<u>\$ 51,667</u>	<u>\$ (62,765)</u>	<u>\$ (73,928)</u>	<u>\$ 462,629</u>

TOWN OF GUEYDAN, LOUISIANA

Notes to Financial Statements (Continued)

(14) Compensation of City Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2003, follows:

Mayor:	
Chris Theriot	<u>\$ 9,600</u>
Aldermen:	
Aline Breaux (1/03 - 6/03)	\$ 390
Wade Breaux (7/03 - 10/03)	660
David Dupuis (11/03 - 12/03)	400
Michael Gaspard	1,450
Charlotte Venable Hartwell	1,450
Jude Reese	1,450
Althea Williams	<u>1,450</u>
	<u>\$ 7,250</u>

(15) Risk Management

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

(16) Interfund Receivables/Payables

A summary of interfund receivables and payables at December 31, 2003 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General Fund	\$ 44,483	\$ -
Sales Tax Special Revenue Fund	-	617
Total governmental funds	<u>44,483</u>	<u>617</u>
Proprietary funds:		
Enterprise Fund	<u>617</u>	<u>44,483</u>
Total	<u>\$ 45,100</u>	<u>\$ 45,100</u>

The amount due to the General Fund from the Enterprise Fund is for a short-term loan. The other receivable balance is also for a short-term loan.

TOWN OF GUEYDAN, LOUISIANA
Notes to Financial Statements (Continued)

(16) Interfund Transfers

Transfers consisted of the following at December 31, 2003:

	Transfers In	Transfers Out
Major governmental funds:		
General Fund	\$ 550,000	\$ -
Sales Tax Special Revenue Fund	-	95,923
Total major governmental funds	550,000	95,923
Proprietary fund:		
Enterprise Fund	95,923	550,000
Total	\$ 645,923	\$ 645,923

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

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF GUEYDAN, LOUISIANA
General Fund

Budgetary Comparison Schedule
Year Ended December 31, 2003
With Comparative Actual Amounts for Year Ended December 31, 2002

	2003			Variance - Positive (Negative)	2002 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 17,000	\$ 17,700	\$ 18,660	\$ 960	\$ 17,539
Licenses and permits	60,000	55,000	56,594	1,594	54,969
Intergovernmental	20,000	32,200	37,740	5,540	61,234
Charges for services	2,000	2,000	2,191	191	2,010
Fines and forfeits	5,000	4,000	5,573	1,573	4,754
Interest	5,000	1,500	1,248	(252)	6,024
Other	20,800	26,800	52,287	25,487	57,480
Total revenues	<u>129,800</u>	<u>139,200</u>	<u>174,293</u>	<u>35,093</u>	<u>204,010</u>
Expenditures:					
Current -					
General government	185,705	188,335	195,944	(7,609)	182,777
Public safety	251,488	306,957	285,785	21,172	261,551
Public works	218,852	248,284	244,199	4,085	229,652
Capital outlays	50,000	174,749	72,534	102,215	152,691
Total expenditures	<u>706,045</u>	<u>918,325</u>	<u>798,462</u>	<u>119,863</u>	<u>826,671</u>
Deficiency of revenues over expenditures	<u>(576,245)</u>	<u>(779,125)</u>	<u>(624,169)</u>	<u>154,956</u>	<u>(622,661)</u>
Other financing sources (uses):					
Transfers in	550,000	550,000	550,000	-	672,894
Transfers out	(5,000)	-	-	-	(152,446)
Total other financing sources (uses)	<u>545,000</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>	<u>520,448</u>
Deficiency of revenues and other sources over expenditures and other uses	(31,245)	(229,125)	(74,169)	154,956	(102,213)
Fund balance, beginning	<u>428,547</u>	<u>428,547</u>	<u>428,547</u>	<u>-</u>	<u>530,760</u>
Fund balance, ending	<u>\$ 397,302</u>	<u>\$ 199,422</u>	<u>\$ 354,378</u>	<u>\$ 154,956</u>	<u>\$ 428,547</u>

TOWN OF GUEYDAN, LOUISIANA
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
Year Ended December 31, 2003
With Comparative Actual Amounts for Year Ended December 31, 2002

	2003			Variance - Favorable (Unfavorable)	2002 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Sales tax	\$ 150,000	\$ 150,000	\$ 160,936	\$ 10,936	\$ 146,051
Interest income	11,000	5,000	8,852	3,852	3,657
Total revenue	<u>161,000</u>	<u>155,000</u>	<u>169,788</u>	<u>14,788</u>	<u>149,708</u>
Expenditures:					
Current -					
General government:					
Collection fee	1,400	3,400	3,190	210	2,218
Capital outlay	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,782</u>
Total expenditures	<u>11,400</u>	<u>3,400</u>	<u>3,190</u>	<u>210</u>	<u>6,000</u>
Excess of revenues over expenditures	149,600	151,600	166,598	14,998	143,708
Other financing uses:					
Transfers out	<u>(70,000)</u>	<u>(50,000)</u>	<u>(95,923)</u>	<u>(45,923)</u>	<u>(268,000)</u>
Excess (deficiency) of revenues over expenditures and other uses	79,600	101,600	70,675	(30,925)	(124,292)
Fund balance, beginning	<u>407,945</u>	<u>407,945</u>	<u>407,945</u>	<u>-</u>	<u>532,237</u>
Fund balance, ending	<u>\$ 487,545</u>	<u>\$ 509,545</u>	<u>\$ 478,620</u>	<u>\$ (30,925)</u>	<u>\$ 407,945</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

TOWN OF GUEYDAN, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
Year Ended December 31, 2003
With Comparative Actual Amounts for Year Ended December 31, 2002

	2003		Actual	Variance - Favorable (Unfavorable)	2002 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes -					
Ad valorem	\$ 17,000	\$ 17,700	\$ 18,660	\$ 960	\$ 17,539
Licenses and permits -					
Occupational licenses	60,000	55,000	56,594	1,594	54,969
Intergovernmental:					
Rural Development Grant	-	12,200	11,966	(234)	33,489
Beer tax	3,500	2,200	2,772	572	4,548
2% fire insurance	7,000	6,750	11,552	4,802	11,747
Fire protection program	9,500	11,050	11,450	400	11,450
Total intergovernmental	20,000	32,200	37,740	5,540	61,234
Charges for services:					
Court costs	2,000	2,000	2,191	191	2,010
Fines and forfeitures	5,000	4,000	5,573	1,573	4,754
Interest	5,000	1,500	1,248	(252)	6,024
Other:					
Community center	5,500	11,000	7,130	(3,870)	4,317
Cable franchise fee	6,000	5,000	11,270	6,270	9,256
Property leases	4,800	4,800	3,168	(1,632)	16,800
Miscellaneous	4,500	6,000	30,719	24,719	27,107
	20,800	26,800	52,287	25,487	57,480
Total revenues	\$ 129,800	\$ 139,200	\$ 174,293	\$ 35,093	\$ 204,010

TOWN OF GUEYDAN, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended December 31, 2003
With Comparative Actual Amounts for Year Ended December 31, 2002

	2003			Variance - Favorable (Unfavorable)	2002 Actual
	Budget		Actual		
	Original	Final			
Current:					
General government -					
Mayor salary and expense	\$15,135	\$ 9,600	\$ 9,600	\$ -	\$21,057
Councilmen salary	3,600	7,250	7,250	-	3,270
Office salaries	74,000	70,780	67,647	3,133	73,553
Magistrate salary	2,330	2,330	2,328	2	2,474
Janitorial salary	3,750	3,535	3,528	7	3,542
Attorney fee	10,500	6,300	6,235	65	10,993
City hall repairs	1,000	1,000	-	1,000	803
City park maintenance	3,500	3,500	3,791	(291)	1,203
Dues and subscriptions	1,400	500	-	500	783
Telephone	7,000	5,900	5,903	(3)	6,877
Other	12,000	21,800	20,961	839	14,024
Recreation	1,600	1,200	1,190	10	1,864
Audit	2,000	1,600	1,667	(67)	1,522
City hall maintenance	5,800	1,600	-	1,600	-
City hall utilities	2,000	2,400	2,185	215	1,672
Office supplies	2,500	2,600	9,073	(6,473)	3,470
Printing and minutes	3,500	3,500	4,166	(666)	2,509
Office equipment	2,500	2,500	1,642	858	1,715
Travel and seminars	3,000	3,000	4,625	(1,625)	1,816
Social security	7,630	7,630	15,551	(7,921)	8,951
Insurance	20,960	29,810	28,602	1,208	20,679
Total general government	<u>185,705</u>	<u>188,335</u>	<u>195,944</u>	<u>(7,609)</u>	<u>182,777</u>

(continued)

TOWN OF GUEYDAN, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
Year Ended December 31, 2003
With Comparative Actual Amounts for Year Ended December 31, 2002

	2003		Actual	Variance - Favorable (Unfavorable)	2002 Actual
	Budget				
	Original	Final			
Public safety -					
Police department:					
Salary - police chief	21,833	21,833	21,833	-	21,833
Salary - police officers	59,800	59,800	56,746	3,054	59,985
Uniform allowance	1,350	4,000	4,008	(8)	1,279
Supplies	1,500	4,500	8,928	(4,428)	1,731
Audit	1,350	1,500	1,667	(167)	1,522
Vehicle expense	12,000	16,000	14,199	1,801	11,038
Insurance	18,630	21,500	23,087	(1,587)	18,105
Communications	1,800	1,800	-	1,800	1,802
Repairs and maintenance	2,500	12,200	3,083	9,117	-
Telephone	3,700	5,800	5,618	182	3,846
Seminars and training	300	2,800	1,861	939	180
Other	3,000	15,500	2,878	12,622	4,313
Utilities	1,000	1,100	1,032	68	862
Social security	7,000	6,389	6,011	378	6,336
Total police department	<u>135,763</u>	<u>174,722</u>	<u>150,951</u>	<u>23,771</u>	<u>132,832</u>
Fire department:					
Salaries	82,000	76,000	75,705	295	90,913
Audit	1,400	1,500	1,668	(168)	1,522
Insurance	14,675	18,075	20,514	(2,439)	17,674
Social security	6,300	5,810	5,791	19	7,032
Uniform allowance	350	7,300	7,292	8	1,431
Materials	450	900	1,078	(178)	700
Fire truck expense	2,000	9,000	9,311	(311)	1,211
Fire and rescue equipment	250	250	-	250	-
Communications	2,000	7,300	7,213	87	1,649
Seminars and training	1,000	1,000	1,323	(323)	755
Telephone	1,800	1,500	1,424	76	1,388
Other	2,500	2,500	2,483	17	3,582
Utilities	1,000	1,100	1,032	68	862
Total fire department	<u>115,725</u>	<u>132,235</u>	<u>134,834</u>	<u>(2,599)</u>	<u>128,719</u>
Total public safety	<u>251,488</u>	<u>306,957</u>	<u>285,785</u>	<u>21,172</u>	<u>261,551</u>

(continued)

TOWN OF GUEYDAN, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
Year Ended December 31, 2003
With Comparative Actual Amounts for Year Ended December 31, 2002

	2003			Variance - Favorable (Unfavorable)	2002 Actual
	Budget		Actual		
	Original	Final			
Public works -					
Streets and bridges:					
Salaries	103,000	111,000	109,425	1,575	104,438
Gravel, shell, and asphalt	17,000	17,000	12,694	4,306	21,086
Communications	500	500	405	95	705
Truck and tractor	12,000	16,000	16,548	(548)	17,560
Audit	1,400	1,500	1,667	(167)	1,522
Utilities	300	300	264	36	254
Insurance	18,180	21,565	22,532	(967)	16,914
Other	1,200	2,000	2,233	(233)	1,792
Social security	7,880	8,492	8,371	121	8,067
Street signs	1,500	750	491	259	997
Total streets and bridges	<u>162,960</u>	<u>179,107</u>	<u>174,630</u>	<u>4,477</u>	<u>173,335</u>
Street safety:					
Salaries	1,957	1,957	1,827	130	1,957
Social security	150	150	106	44	77
Insurance	4,210	4,210	3,394	816	4,146
Total street safety	<u>6,317</u>	<u>6,317</u>	<u>5,327</u>	<u>990</u>	<u>6,180</u>
Drainage department:					
Materials	150	150	149	1	96
Weed control	4,000	4,000	3,658	342	2,370
Vehicle and equipment	3,000	2,500	2,702	(202)	5,528
Insurance	3,000	3,800	3,799	1	2,758
Audit	1,400	1,400	1,624	(224)	1,300
Utilities	400	400	351	49	364
Other	400	400	22	378	-
Total drainage department	<u>12,350</u>	<u>12,650</u>	<u>12,305</u>	<u>345</u>	<u>12,416</u>

(continued)

TOWN OF GUEYDAN, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
Year Ended December 31, 2003
With Comparative Actual Amounts for Year Ended December 31, 2002

	2003		Actual	Variance - Favorable (Unfavorable)	2002 Actual
	Budget				
	Original	Final			
Sanitation - trash:					
Audit	1,400	1,400	1,667	(267)	1,522
Insurance	4,700	7,000	8,575	(1,575)	4,523
Truck expense	2,000	2,000	-	2,000	5,096
Materials	200	200	-	200	19
Other	100	600	2,003	(1,403)	47
Total sanitation - trash	<u>8,400</u>	<u>11,200</u>	<u>12,245</u>	<u>(1,045)</u>	<u>11,207</u>
Community center:					
Salaries	12,000	11,100	9,917	1,183	-
Social security	900	885	759	126	-
Contract labor	-	-	-	-	11,070
Employee security insurance	25	25	106	(81)	57
Supplies	3,000	3,000	2,645	355	2,138
Telephone	1,100	2,400	2,417	(17)	1,054
Utilities	-	8,300	7,975	325	4,271
Repairs and maintenance	2,000	-	1,080	(1,080)	-
Other	1,800	3,800	5,873	(2,073)	-
Insurance	8,000	9,500	8,920	580	7,924
Total community center	<u>28,825</u>	<u>39,010</u>	<u>39,692</u>	<u>(682)</u>	<u>26,514</u>
Total public works	<u>218,852</u>	<u>248,284</u>	<u>244,199</u>	<u>4,085</u>	<u>229,652</u>
Capital outlays	<u>50,000</u>	<u>174,749</u>	<u>72,534</u>	<u>102,215</u>	<u>152,691</u>
Total expenditures	<u>\$706,045</u>	<u>\$918,325</u>	<u>\$798,462</u>	<u>\$119,863</u>	<u>\$826,671</u>

TOWN OF GUEYDAN, LOUISIANA
General Fund

Budgetary Comparison Schedule - Other Financing Sources (Uses)
Year Ended December 31, 2003
With Comparative Actual Amounts for Year Ended December 31, 2002

	2003			Variance - Favorable (Unfavorable)	2002 Actual
	Budget		Actual		
	Original	Final			
Other financing sources (uses):					
Transfers in	\$550,000	\$550,000	\$550,000	\$ -	\$ 672,894
Transfers out	(5,000)	-	-	-	(152,446)
Total other financing sources (uses)	<u>\$545,000</u>	<u>\$550,000</u>	<u>\$550,000</u>	<u>\$ -</u>	<u>\$ 520,448</u>

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF GUEYDAN, LOUISIANA
Nonmajor Governmental Funds

Combining Balance Sheet
December 31, 2003
With Comparative Totals for December 31, 2002

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>	
				2003	2002
ASSETS					
Cash	\$16,479	\$24,918	\$ -	\$41,397	\$97,290
Due from other governmental units	<u>1,620</u>	<u>-</u>	<u>-</u>	<u>1,620</u>	<u>1,620</u>
Total assets	<u>\$18,099</u>	<u>\$24,918</u>	<u>\$ -</u>	<u>\$43,017</u>	<u>\$98,910</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$57,310</u>
Fund balances:					
Reserved for debt service	-	24,918	-	24,918	24,918
Unreserved, undesignated	<u>18,099</u>	<u>-</u>	<u>-</u>	<u>18,099</u>	<u>16,682</u>
Total fund balances	<u>18,099</u>	<u>24,918</u>	<u>-</u>	<u>43,017</u>	<u>41,600</u>
Total liabilities and fund balances	<u>\$18,099</u>	<u>\$24,918</u>	<u>\$ -</u>	<u>\$43,017</u>	<u>\$98,910</u>

TOWN OF GUEYDAN, LOUISIANA
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2003
With Comparative Totals for December 31, 2002

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>	
				2003	2002
Revenues:					
Intergovernmental	<u>\$ 1,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,967</u>	<u>\$ 1,202</u>
Expenditures:					
Current -					
Public safety	<u>550</u>	<u>-</u>	<u>-</u>	<u>550</u>	<u>-</u>
Excess of revenues over expenditures	1,417	-	-	1,417	1,202
Fund balance, beginning	<u>16,682</u>	<u>24,918</u>	<u>-</u>	<u>41,600</u>	<u>40,398</u>
Fund balance, ending	<u>\$18,099</u>	<u>\$24,918</u>	<u>\$ -</u>	<u>\$43,017</u>	<u>\$41,600</u>

NONMAJOR SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

State Revenue Sharing Fund -

To account for the collection and disbursement of the Town's State Revenue Sharing monies.

Police Department Narcotics Seizure Fund -

To account for the collection and disbursement of the Town's share of proceeds from drug related seizure sales.

TOWN OF GUEYDAN, LOUISIANA
Nonmajor Special Revenue Funds

Combining Balance Sheet
December 31, 2003
With Comparative Totals For December 31, 2002

	<u>State Revenue Sharing Fund</u>	<u>Police Department Narcotics Seizure Fund</u>	<u>Totals</u>	
			<u>2003</u>	<u>2002</u>
ASSETS				
Cash	\$ 15,806	\$ 673	\$ 16,479	\$ 15,062
Due from other government units	<u>1,620</u>	<u>-</u>	<u>1,620</u>	<u>1,620</u>
Total assets	<u>\$ 17,426</u>	<u>\$ 673</u>	<u>\$ 18,099</u>	<u>\$ 16,682</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Total liabilities	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Unreserved	<u>17,426</u>	<u>673</u>	<u>18,099</u>	<u>16,682</u>
Total liabilities and fund balances	<u>\$ 17,426</u>	<u>\$ 673</u>	<u>\$ 18,099</u>	<u>\$ 16,682</u>

TOWN OF GUEYDAN, LOUISIANA
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Year Ended December 31, 2003
With Comparative Actual Amounts for Year Ended December 31, 2002

	State Revenue Sharing Fund	Police Department Narcotics Seizure Fund	Totals	
			<u>2003</u>	<u>2002</u>
Revenues:				
Intergovernmental	<u>\$ 1,967</u>	<u>\$ -</u>	<u>\$ 1,967</u>	<u>\$ 1,202</u>
Expenditures:				
Current				
Public safety	<u>-</u>	<u>550</u>	<u>550</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,967</u>	<u>(550)</u>	<u>1,417</u>	<u>1,202</u>
Fund balances, beginning	<u>15,459</u>	<u>1,223</u>	<u>16,682</u>	<u>15,480</u>
Fund balances, ending	<u>\$17,426</u>	<u>\$ 673</u>	<u>\$16,682</u>	<u>\$15,480</u>

TOWN OF GUEYDAN, LOUISIANA
 Nonmajor Special Revenue Fund
 State Revenue Sharing Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 Year Ended December 31, 2003
 With Comparative Actual Amounts for Year Ended December 31, 2002

	2003			
	Budget	Actual	Variance - Favorable (Unfavorable)	2002 Actual
Revenues:				
Intergovernmental	\$ 1,300	\$ 1,967	\$ 667	\$ 1,202
Expenditures	-	-	-	-
Excess of revenues over expenditures	1,300	1,967	667	1,202
Fund balance, beginning	15,459	15,459	-	14,257
Fund balance, ending	\$ 16,759	\$ 17,426	\$ 667	\$ 15,459

TOWN OF GUEYDAN, LOUISIANA
 Nonmajor Special Revenue Fund
 Police Department Narcotics Seizure Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 Year Ended December 31, 2003
 With Comparative Actual Amounts for Year Ended December 31, 2002

	2003		Variance -	2002
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current -				
Public safety	200	550	(350)	-
Deficiency of revenues over expenditures	(200)	(550)	(350)	-
Fund balance, beginning	1,223	1,223	-	1,223
Fund balance, ending	<u>\$ 1,023</u>	<u>\$ 673</u>	<u>\$ (350)</u>	<u>\$ 1,223</u>

NONMAJOR DEBT SERVICE FUND

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

Public Improvement Bond Series A and B Fund -

To account for the excess of revenues over debt retirement of fully matured Public Improvement Bonds Series A and B.

TOWN OF GUEYDAN, LOUISIANA
Nonmajor Debt Service Fund
Public Improvement Bond Series A and B Fund

Comparative Balance Sheet
December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
ASSETS		
Cash	<u>\$24,918</u>	<u>\$24,918</u>
FUND BALANCE		
Reserved for debt retirement	<u>\$24,918</u>	<u>\$24,918</u>

TOWN OF GUEYDAN, LOUISIANA
 Nonmajor Debt Service Fund
 Public Improvement Bond Series A and B Fund

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
 Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Revenue:		
Tax collected	\$ -	\$ -
Expenditures:		
Debt Service -		
Principal retirement	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-
Fund balance, beginning	<u>24,918</u>	<u>24,918</u>
Fund balance, ending	<u>\$24,918</u>	<u>\$24,918</u>

NONMAJOR CAPITAL PROJECTS FUNDS

To account for the financial resources to be used for the acquisition or construction of major capital facilities.

1999 Louisiana Community Development Block Grant (LCDBG) Fund -

To account for the collection and disbursements of federal funds used for water lines.

TOWN OF GUEYDAN, LOUISIANA
 Nonmajor Capital Projects Funds
 1999 Louisiana Community Development Block Grant

Comparative Balance Sheet
 December 31, 2003

	Totals	
	2003	2002
ASSETS		
Cash	<u>\$ -</u>	<u>\$ 57,310</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Due to other funds	<u>\$ -</u>	<u>\$ 57,310</u>
Fund balances:		
Unreserved, designated for capital expenditures	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 57,310</u>

TOWN OF GUEYDAN, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
December 31, 2003 and 2002

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

<u>Department</u>	<u>2003</u>	<u>2002</u>
Electricity (metered)	829	833
Gas (metered)	621	636
Water	727	731
Sewerage	719	726

TOWN OF GUEYDAN
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Operating Revenues and Expenses
Years Ended December 31, 2003 and 2002

	Electricity		Gas		Water		Sewer		Totals	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Operating revenues:										
Charges for services	\$1,639,046	\$1,491,222	\$ 398,084	\$375,166	\$ 66,424	\$ 67,345	\$ 80,418	\$ 81,190	\$2,183,972	\$2,014,923
Delinquent bills penalty	8,135	7,299	1,978	1,836	329	330	398	397	10,840	9,862
Bad debt recovered	-	442	-	111	-	20	-	24	-	597
Total operating revenues	1,647,181	1,498,963	400,062	377,113	66,753	67,695	80,816	81,611	2,194,812	2,025,382
Operating expenses:										
Salaries - plant	52,596	48,178	59,474	59,218	-	-	19,200	19,200	131,270	126,596
Fuel purchased	932,616	781,734	198,596	144,025	-	-	-	-	1,131,212	925,759
Insurance	11,080	7,000	6,952	6,111	6,256	8,297	12,569	7,720	36,857	29,128
Insurance - employees	5,244	4,663	8,200	7,023	-	-	2,733	2,832	16,177	14,518
Materials and Supplies	20,383	142,640	6,963	15,021	20,523	15,810	4,557	5,240	52,426	178,711
Auditing and accounting	1,667	1,522	1,667	1,522	1,667	1,522	1,667	1,522	6,668	6,088
Printing, stationary, and supplies	6,009	2,689	-	-	-	-	-	-	6,009	2,689
Depreciation	40,876	39,924	36,416	29,126	75,943	76,242	73,280	73,036	226,515	218,328
Repairs and maintenance	15,709	36,415	14,345	14,031	9,037	10,966	19,836	10,421	58,927	71,833
Seminars and workshops	-	-	1,364	9,294	2,390	390	-	300	3,754	9,984
Utilities	1,632	6,309	1,168	632	7,006	78	12,647	9,984	22,453	17,003
Payroll Taxes	3,702	3,839	4,655	4,684	-	-	1,574	1,622	9,931	10,145
Bad debt expense	1,660	-	404	-	67	-	81	-	2,212	-
Miscellaneous	6,352	8,034	8,191	2,988	6,629	5,773	6,600	4,153	27,772	20,948
Total operating expenses	1,099,526	1,082,947	348,395	293,675	129,518	119,078	154,744	136,030	1,732,183	1,631,730
Net operating income (loss)	\$ 547,655	\$ 416,016	\$ 51,667	\$ 83,438	\$ (62,765)	\$ (51,383)	\$ (73,928)	\$ (54,419)	\$ 462,629	\$ 393,652

TOWN OF GUEYDAN, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds
December 31, 2003

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Major Governmental Funds:			
General Fund:			
Money market investment account - Bank of Gueydan	N/A	0.25%	\$ 180,020
Certificates of deposit -			
Bank of Gueydan	3/24/2003	1.10%	35,153
Vermilion Bank & Trust	1/21/2003	1.00%	<u>34,040</u>
Total General Fund			<u>249,213</u>
Sales Tax Fund:			
Certificates of deposit -			
Bank of Gueydan	2/3/2004	2.40%	43,161
Bank of Gueydan	8/6/2003	1.25%	45,889
Bank of Gueydan	5/7/2003	1.10%	53,878
Bank of Gueydan	5/23/2003	1.10%	48,943
Bank of Gueydan	6/11/2003	1.10%	36,875
Bank of Gueydan	1/10/2003	1.10%	48,937
Vermilion Bank & Trust	6/20/2003	1.10%	<u>35,572</u>
Total Sales Tax Fund			<u>313,255</u>
Total Major Governmental Fund			<u>562,468</u>
Utility Fund:			
Money market investment accounts:			
Bank of Gueydan	N/A	0.80%	386,755
Bank of Gueydan	N/A	0.80%	21,895
Certificates of deposit:			
Bank of Gueydan	8/19/2003	2.25%	82,948
Bank of Gueydan	6/14/2004	2.00%	4,175
Bank of Gueydan	1/10/2003	2.30%	125,989
Bank of Gueydan	5/1/2003	2.25%	26,295
Bank of Gueydan	5/26/2003	5.75%	6,000
Bank of Gueydan	5/2/2003	2.00%	<u>119,097</u>
Total Utility Fund			<u>773,154</u>
Total all funds			<u>\$1,335,622</u>

COMPLIANCE AND INTERNAL CONTROL

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

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

* A Professional Accounting Corporation

The Honorable Chris Theriot, Mayor
and members of the Board of Aldermen
Town of Gueydan, Louisiana

We have audited the financial statements of the Town of Gueydan, Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated April 16, 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 of Gueydan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Gueydan'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. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings as item 03-1(IC).

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

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that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of the Town's management 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Abbeville, Louisiana
April 16, 2004

TOWN OF GUEYDAN, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended December 31, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
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CURRENT YEAR (12/31/03) --

Internal Control:

03-1(IC)	2003	Due to the small number of employees, the Town of Gueydan did not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	No response is considered necessary.	Roxanna Hebert, City Clerk	N/A
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PRIOR YEAR (12/31/02) --

Internal Control:

02-1(IC)	2002	Due to the small number of employees, the Town of Gueydan did not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	N/A	No response is considered necessary.	Roxanna Hebert, City Clerk	N/A
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