

**TOWN OF POLLOCK, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

In accordance with laws 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 State Budget Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-21-04

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May 28, 2004

**Independent Auditor's Report**

To the Mayor and Board of Aldermen  
Town of Pollock, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Pollock, Louisiana as of December 31, 2003 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Pollock, Louisiana, as of December 31, 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.

In accordance with Government Auditing Standards, we have also issued a report dated May 28, 2004, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the Table of Contents is

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presented for the purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Pollock, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion, is fairly presented in all material respects, in relation to the general purpose financial statements taken as a whole.

  
ROZIER, HARRINGTON & McCAV  
Certified Public Accountants

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May 28, 2004

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

To The Mayor and Board of Aldermen  
Town of Pollock, Louisiana

We have audited the financial statements of the Town of Pollock, Louisiana as of and for the year ended December 31, 2003 and have issued our report thereon dated May 28, 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 Pollock, Louisiana'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 these 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 Pollock, Louisiana'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to

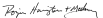
*Town of Pollock*

*May 28, 2004*

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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. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

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



ROGER, HARRINGTON & MEALEY  
Certified Public Accountants

**TOWN OF POLLOCK, LOUISIANA**  
**ALL FUND TYPES AND ACCOUNT GROUPS**

Continental Business Month  
 December 31, 2001

	Governmental Funds		Proprietary Funds (Enterprise Funds)	Account Group		Total (In thousands Only)
	General Fund	Capital Projects Funds		General Fund	Account Group Long Term Debt Funds	
Cash	\$ 64,817	\$ 37,186	\$ 124,400	\$ -	\$ -	\$ 317,404
Receivables	9,094	13,774	49,214	-	-	92,282
Due from other funds	31,787	-	17,152	-	-	48,939
Due from other governmental units	2,024	-	56,571	-	-	58,595
Restricted assets:						
Cash	-	-	441,145	-	-	441,145
Advances to other funds	-	-	358,197	-	-	358,197
Land, buildings and equipment (net of accumulated depreciation)	-	-	12,130,605	358,344	-	12,519,054
To be provided long term debt	-	-	-	-	4,687	4,687
<b>Total assets</b>	<b>\$ 98,744</b>	<b>\$ 50,960</b>	<b>\$ 11,596,957</b>	<b>\$ 358,344</b>	<b>\$ 4,687</b>	<b>\$ 12,913,792</b>

The accompanying notes are an integral part of this statement.

**TOWN OF FOLLOMER, LOUISIANA**  
**ALL FUND TYPES AND ACCOUNT GROUPS**

Combined Balance Sheet  
 December 31, 2003

	Governmental Funds		Proprietary Funds Enterprise Funds	Account Group		Total Governmental Funds
	General Fund	Capital Projects Funds		General Fund	Account Group Long Term Debt Group	
<b>LIABILITIES</b>						
Accounts and other payable	\$ 4,350	\$ 17,933	\$ 21,520	\$ -	\$ -	\$ 43,803
Unearned payables	3,480	-	36,625	-	-	39,805
Accrued interest payable	-	-	4,394	-	-	4,394
Current portion - bonds payable	-	-	43,415	-	-	43,415
Advances from other funds	203,298	-	181,187	-	-	384,485
Deposits due others	-	-	37,946	-	-	37,946
Others' adoption bonds payable	-	-	20,938	-	-	20,938
Revenue bonds payable	-	-	1,800,000	-	-	1,800,000
Long obligations payable	-	-	50,527	-	4,667	55,194
<b>Total liabilities</b>	<b>\$ 211,524</b>	<b>\$ 17,933</b>	<b>\$ 3,879,548</b>	<b>\$ -</b>	<b>\$ 4,667</b>	<b>\$ 3,917,071</b>
<b>EQUITY:</b>						
Investment in general fund assets	-	-	-	203,298	-	203,298
Contributed capital	-	-	6,813,421	-	-	6,813,421
Reserve/Retainage	-	-	214,333	-	-	214,333
Reversal by bond revenues	-	-	636,751	-	-	636,751
Reversal for airport operations	-	-	-	-	-	-
<b>Fund Balances:</b>						
Unassigned	(211,524)	21,000	(41,276)	-	-	(231,799)
<b>Total equity</b>	<b>(211,524)</b>	<b>21,000</b>	<b>10,211,546</b>	<b>203,298</b>	<b>-</b>	<b>10,315,360</b>
<b>Total liabilities and equity</b>	<b>\$ 99,999</b>	<b>\$ 38,933</b>	<b>\$ 11,200,094</b>	<b>\$ 203,298</b>	<b>\$ 4,667</b>	<b>\$ 11,695,211</b>

The accompanying notes are an integral part of this statement.



**TOWN OF POLLOCK, LOUISIANA  
GOVERNMENTAL FUNDS**

Continued Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended December 31, 2021

	GENERAL FUNDS	CAPITAL PROJECTS FUNDS	TOTAL PROGRAM/AM (0017)
<b>REVENUES:</b>			
Taxes:			
Ad valorem	\$ 18,750	\$ -	\$ 18,750
Sales taxes	10,000	-	10,000
Franchise taxes	18,000	-	18,000
Licenses and permits	22,000	-	22,000
Intergovernmental:			
Other state funds	-	218,207	218,207
Fees and donations	111,248	-	111,248
Use of money and property	1,200	-	1,200
Other	17,041	-	17,041
<b>Total revenues</b>	<b>284,217</b>	<b>218,207</b>	<b>502,424</b>
<b>EXPENDITURES:</b>			
General government	128,336	-	128,336
Public safety	88,629	-	88,629
Capital outlay	20,118	107,070	127,188
Reserves	21,881	-	21,881
<b>Total expenditures</b>	<b>259,064</b>	<b>107,070</b>	<b>366,134</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>28,153</b>	<b>111,137</b>	<b>139,290</b>
<b>OTHER FINANCING SOURCES USED:</b>			
Operating transfers in	87,117	-	87,117
Operating transfers out	(88,348)	(2,000)	(90,348)
Private loan principal	11,118	-	11,118
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>11,937</b>	<b>(2,000)</b>	<b>9,937</b>
<b>Fund balance (deficit) - beginning of year</b>	<b>(170,871)</b>	<b>60,250</b>	<b>(110,621)</b>
<b>Fund balance (deficit) - end of year</b>	<b>\$ (158,934)</b>	<b>\$ 58,250</b>	<b>\$ (100,684)</b>

The accompanying notes are an integral part of this statement.

**TOWN OF POLLOCK, LOUISIANA  
GENERAL FUND**

Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balance

Budget (Cash Basis) and Actual (Cash Basis)  
For the Year Ended December 31, 2003

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE PAYABLE (UNPAYABLE)</u>
<b><u>REVENUES</u></b>			
Taxes			
Ad valorem taxes	\$ 7,700	\$ 11,005	\$ 3,305
Sales taxes	40,000	51,637	11,637
Franchise taxes	18,000	18,755	755
Licenses and permits	22,000	22,048	48
Intergovernmental:			
Other state funds	-	-	-
Fines and forfeitures	115,000	111,000	(4,000)
Use of money and property	780	1,330	750
Other	<u>15,000</u>	<u>17,613</u>	<u>2,613</u>
<b>Total revenues</b>	<u>216,000</u>	<u>215,703</u>	<u>(297)</u>
<b><u>EXPENDITURES</u></b>			
General government	142,130	125,940	16,190
Public safety	60,500	64,429	3,929
Capital Outlays	19,000	30,138	11,138
Debt service	<u>34,800</u>	<u>32,521</u>	<u>2,279</u>
<b>Total expenditures</b>	<u>256,430</u>	<u>253,038</u>	<u>3,392</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(40,430)</b>	<b>(37,335)</b>	<b>3,095</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Operating transfers in	25,000	73,504	48,504
Operating transfers out	-	(64,200)	(64,200)
Proceeds Loans/Obligations	<u>-</u>	<u>11,138</u>	<u>11,138</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(15,430)</b>	<b>20,438</b>	<b>35,868</b>
<b>Cash balance (deficit) - beginning of year</b>	<u>41,000</u>	<u>41,000</u>	<u>-</u>
<b>Cash balance (deficit) - end of year</b>	<u>\$ 25,570</u>	<u>\$ 61,438</u>	<u>\$ 35,868</u>

The accompanying notes are an integral part of this statement.

**TOWN OF POLLOCK, LOUISIANA  
PROPRIETARY FUNDS**

Continued Statement of Revenues, Expenses and  
Changes in Retained Earnings  
For the Year Ended December 31, 2003

	<u>PROPRIETARY FUNDS ENTERPRISE FUNDS</u>
<b><u>OPERATING REVENUES:</u></b>	
Water sales	561,134
Water services	256,267
Other	<u>21,884</u>
Total operating revenues	<u>839,285</u>
<b><u>OPERATING EXPENSES:</u></b>	
Depreciation	276,583
Insurance	21,905
Legal and professional	66,584
Other	9,800
Office expense	1,808
Payroll taxes and benefits	26,571
Repairs and maintenance	87,636
Salaries and wages	144,184
Utilities and telephone	<u>83,884</u>
Total operating expenses	<u>714,884</u>
Operating income (loss)	(76,417)
<b><u>NONOPERATING REVENUES/EXPENSES:</u></b>	
Gift valuations income	1,825
Interest income	16,473
Interest expense	<u>(184,508)</u>
Net income (loss) before operating transfers	(166,210)
Operating transfers to (from)	<u>(34,281)</u>
Net income (loss)	(200,491)
Add depreciation on fixed assets acquired with contributed capital	<u>166,583</u>
Net increase (decrease) in retained earnings	(33,908)
Retained earnings - beginning of year	<u>1,781,512</u>
Retained earnings - end of year	<u>\$ 1,747,604</u>

The accompanying notes are an integral part of this statement.

**TOWN OF POLLOCK, LOUISIANA**  
**PROPRIETARY FUNDS**  
 Combined Statement of Cash Flows  
 For the Year Ended December 31, 2003

	<b>PROPRIETARY FUNDS</b>	
	<b>Electric Fund</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income	\$	(76,417)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		279,858
(Increase) decrease in receivables from utility sales		(54,778)
(Increase) decrease in other receivables		21,422
Increase (decrease) in accounts and other payables		(24,347)
Increase (decrease) in deposits due others		479
Net cash provided (used) by operating activities		11,227
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Appropriation of advance		11,240
(Increase) decrease in due to other funds		(2,898)
Operating transfers from (to) other funds		(34,298)
(A) advances to municipalities		1,085
Net cash provided (used) by non-capital financing activities		(24,871)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Grant proceeds received		406,118
Asset acquisitions		(241,000)
Interest paid on general obligations and revenue bonds		(104,288)
Principal paid on general obligation bonds		(1,000)
Principal paid on revenue bonds		(29,499)
Loan Obligations principal payments		(5,272)
Net cash provided (used) for capital and related financing activities		(21,841)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income		11,472
Net cash provided (used) by investing activities		11,472
Net increase (decrease) in cash		(4,212)
Beginning cash balance		626,822
Ending cash balance		594,597
Restricted cash balance		988,286
Unrestricted cash balance		\$ 1,282,883

**Supplemental Disclosure of Cash Flow Information:**

For the year ended December 31, 2003, the Town's Airport Fund reduced its liability due on its advance to the General Fund by \$1,000 in exchange for services provided by the General Fund. In addition the Fund acquired a \$23,000 utility truck through a capital lease arrangement.

The accompanying notes are an integral part of this statement.

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Pollock (the Town) was incorporated under the provisions of the Louisiana Act. The Town is governed by a Mayor and a Board of Aldermen consisting of five (5) members. Services provided by the Town include police protection, sanitation and street maintenance. The Town also operates a municipal airport, a water distribution system, and a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

**Financial Reporting Entity**

As the municipal governing authority, for reporting purposes, the Town is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Town), (b) organizations for which the primary government is financially accountable, and (c) 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Pollock for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the town to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon application of the these criteria, there were no potential component units and all of the Town's activities were included in the primary government reporting entity.

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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**Fund Accounting**

The accounts of the Town are organized on the basis of funds or 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. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Town:

**Governmental Fund Type**

**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.

**Capital Projects Funds** - Account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental funds.

**Proprietary Funds**

**Enterprise Funds** - Enterprise Funds are used to account for operations 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.

**Account Groups**

**General Fixed Assets Account Group** - This group of accounts is used to account for fixed assets of the Town other than those accounted for in the proprietary fund.

**General Long Term Debt Group** - This group of accounts is used to account for long term debt of the Town not accounted for in the proprietary fund.

**Basis Of Accounting**

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Amounts that are expected to be collected within 90 days following the end of the year and amounts that due under cost reimbursement arrangements are considered to be available for use.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt, which is recognized when due.

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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In both governmental and proprietary funds, inventories of supplies are considered immaterial and are not recorded.

The proprietary (enterprise) fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Utility revenues are billed on a cycle basis and are recognized in the month billed. Unbilled service receivables resulting from utility services rendered between cycle billing and the end of the month have been recognized in the accompanying financial statements.

The basis of accounting followed by proprietary funds is similar to accounting practices utilized by business enterprises. Due to these similarities, proprietary funds are allowed to follow certain pronouncements that are developed by the Financial Accounting Standards Board (FASB) for business enterprises. However, the Town only applies those FASB pronouncements that were issued on or before November 30, 1989.

**Use Of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Restricted Assets:**

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants.

**Budget Practices:**

The Mayor prepares an annual budget for the Town's general fund. This budget is submitted to the Board of Aldermen and an approved budget is adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is required for the Town's Utility Fund.

**Fixed Assets:**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Since the Town does not capitalize infrastructure, these items are excluded from the general fixed assets account group. No depreciation has been provided on general fixed assets.

General fund assets are reported at historical costs, including capitalized interest. For items acquired prior to January 1, 1995, there were few records supporting historical cost. Current

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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replacement cost has been used as a basis for estimating historical cost incurred prior to January 1, 1995.

Property and equipment used in the proprietary fund operations are recorded at cost or estimated historical cost, including capitalized interest. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Prior to January 1, 1995, there were few records supporting the cost; therefore, costs were estimated based on research performed by the Town's consulting engineers.

**Cash And Cash Equivalents:**

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

**Encumbrance Accounting:**

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

**Interfund Transactions:**

Interfund transactions are reported as opening transfers when the recipient fund is not expected to provide repayment. Transactions that are expected to result in repayment are reported as interfund receivables and payables. Any interfund receivables and payables that are not expected to be repaid within one year are classified as advances.

**Total Columns On Combined Statements:**

Total columns on the combined statements are captioned "Memorandum" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund transactions are not eliminated during the preparation of combined financial statements.

**Statement Of Cash Flows:**

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks and certificates of deposit.

**Fund Equity:**

**Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.



**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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**Reserves**

Reserves represent those portions of fund equity legally segregated for a specific future use.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Deposits are stated at cost, which approximates market. Under state law, deposits 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. 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.

At December 31, 2003, the Town had \$213,933 in deposits (collected bank balances). These deposits are secured from risk by \$269,088 of federal deposit insurance and \$674,732 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 2).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 3 - RECEIVABLES**

At December 31, 2003, amounts to be collected by the Town are as follows:

	General Fund	Capital Projects Fund	Enterprise Funds	Total
<b>Accounts Receivable</b>				
Utility Accounts	\$ —	\$ —	\$ 68,091	\$ 68,091
Ad Valorem Taxes	4,698	—	1,163	5,861
Franchise Taxes	4,798	—	—	4,798
State Capital Outlay		11,778		11,778
<b>Total Accounts Receivable</b>	<b>\$ 1,496</b>	<b>\$ 11,778</b>	<b>\$ 69,254</b>	<b>\$ 82,528</b>

At December 31, 2003 there were no material amounts of uncollectible receivables and consequently no provision for bad debts were recorded on the books.

**NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

At December 31, 2003, amounts due from other governmental units are as follows:

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

	General Fund	Enterprise Fund	Total
Grant Parish Sheriff's Office	\$ 2,836	\$ -	\$ 2,836
State of Louisiana	-	16,371	16,371
<b>Totals</b>	<b>\$ 2,836</b>	<b>\$ 16,371</b>	<b>\$ 19,207</b>

**NOTE 5 - LONG-TERM DEBT**

The following is a summary of bond transactions for the year ended December 31, 2009:

	General Obligation	Utility Revenue	Total
Bonds Payable, December 31, 2008	\$ 21,958	\$ 2,873,408	\$ 2,895,366
Issued	-	-	-
Retired	1,000	28,496	29,496
Bonds Payable, December 31, 2009	\$ 21,958	\$ 2,844,912	\$ 2,866,870
Less: current portion	1,000	48,415	49,415
Long term	\$ 20,958	\$ 2,796,497	\$ 2,817,455

At December 31, 2009, the following Bond Issues were outstanding:

	Outstanding Balance	
	General Obligation	Utility Revenue
\$10,000 Water Revenue Bonds dated October 30, 1975, due in annual installments ranging from \$2,000 to \$10,000 plus interest at 7%, final installment due January 1, 2015.	\$ -	\$ 102,884
\$15,000 Water Public Improvement Bonds Series A, dated October 31, 1975, due in annual installments ranging from \$500 to \$1,000 plus interest at 5%, final installment due January 1, 2015.	10,973	-
\$25,000 Water Public Improvement Bonds Series B dated October 31, 1975, due in annual installments ranging from \$100 to \$1,000 plus interest at 7%, final installment due January 1, 2015.	10,973	-
\$15,000 Sewer Revenue Bonds dated November 16, 1981, due in annual installments ranging from \$2,000 to \$12,000 plus interest at 5%, final installment due November 15, 2015.	-	152,645
\$25,000 Water Revenue Bonds dated December 27, 1979, due in annual installments ranging from \$500 to \$1,000 plus interest at 5%, final installment due January 1, 2016.	-	12,768

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

	<u>Outstanding Balance</u>	
	<u>General Obligation</u>	<u>Utility Revenue</u>
\$140,000 Water Revenue Bonds dated June 23, 1983, due in annual installments ranging from \$1,800 to \$9,000 plus interest at 7.75%, final installment due January 1, 2023.	—	81,000
\$25,110 Rescheduling of Water Revenue Bonds per agreement dated February 7, 1997, due in monthly installments of \$151 including interest of 5%, final installment due December 7, 2023.	—	23,400
\$2,813,800 Utility Revenue Bonds, dated May 12, 1998, with proceeds to be collected in installments for the purpose of funding construction costs. Due in monthly installments of \$11,994 including interest of 4.75% beginning May 12, 2004, final installment due May 12, 2028.	—	2,668,850
\$4,251 Rescheduling of Water Revenue Bonds per agreement dated February 7, 1987, due in monthly installments of \$44 including interest at 7.57%, final installment due August 7, 2023.	—	5,307
<b>Total</b>	<b>\$ 21,990</b>	<b>\$ 2,884,557</b>

At December 31, 2003 the following capital lease obligations were outstanding:

	<u>General Long Term Debt Group</u>	<u>Enterprise Fund</u>	<u>Total</u>
Lease agreement dated February 24, 2003, executed in exchange for police vehicles, with an original balance of \$12,438, bearing an interest rate of 4.7%, payable in 24 monthly installments of \$537	\$ 4,687	\$ —	\$ 4,687
Lease agreement dated May 21, 2003, executed in exchange for utility truck, with an original balance of \$ 23,899, bearing an interest rate of 6.5%, payable in 48 monthly installments of \$531	\$ —	\$ 29,217	\$ 29,217
<b>Total</b>	<b>\$ 4,687</b>	<b>\$ 29,217</b>	<b>\$ 33,904</b>

A schedule of maturities of long-term debt follows for the years ended December 31:

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

	General Obligation	Utility Revenue	Total	DEBT SERVICE
2004	\$ 1,000	\$ 44,013	\$ 45,013	\$ 137,817
2005	2,000	47,486	49,486	134,769
2006	2,000	49,371	51,371	132,339
2007	2,000	50,934	52,934	129,834
2008	2,000	53,514	55,514	127,213
2009-2013	10,000	377,633	387,633	994,215
2014-2018	2,950	241,923	244,873	507,831
2019-2023	—	167,507	167,507	418,874
2024-2028	—	189,331	189,331	390,894
2029-2033	—	894,072	894,072	225,501
2034-2038	—	626,670	626,670	92,834
2039-2043	—	59,558	59,558	783
<b>Total</b>	<b>\$ 21,950</b>	<b>\$ 2,844,936</b>	<b>\$ 2,866,886</b>	<b>\$ 7,827,637</b>

The future minimum lease payments due under capital lease arrangements are presented below:

Year ending	General	Utilities	Total
2004	\$ 4,759	\$ 6,710	\$ 11,469
2005	\$ —	\$ 6,848	\$ 6,848
2006	\$ —	\$ 6,848	\$ 6,848
2007	\$ —	\$ 2,345	\$ 2,345
Subtotal	\$ 4,759	\$ 22,712	\$ 27,471
Less amounts representing interest	\$ 92	\$ 2,345	\$ 2,437
Present value of minimum lease payments	\$ 4,667	\$ 20,367	\$ 25,034

**NOTE 6. PROPERTY AND EQUIPMENT**

A summary of the property and equipment at December 31, 2003 consists of the following:

	Balance 12/31/02	Additions	Depreciate	Balance 12/31/03
<b>Ground Fixed Assets</b>				
Buildings	\$ 194,365	\$ —	\$ —	\$ 194,365
Vehicles	59,585	—	—	59,585
Equipment	25,829	26,138	21,719	30,248
Land	182,204	—	—	182,204
<b>Total</b>	<b>\$ 562,983</b>	<b>\$ 26,138</b>	<b>\$ 21,719</b>	<b>\$ 567,402</b>

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

	Balance 12/31/02	Addition	Disposals	Balance 12/31/03
Proprietary Fixed Assets				
Water Distribution System	\$ 1,833,299	\$ 299,134	\$ —	\$ 2,132,433
Wastewater System	1,802,891	660	—	1,803,551
Airport Improvements	3,341,821	—	—	3,341,821
Police Utility System	7,454,731	—	—	7,454,731
Construction in Progress	407,433	582,124	148,990	840,567
Land	30,680	—	—	30,680
<b>Total</b>	<b>13,771,254</b>	<b>881,918</b>	<b>(148,990)</b>	<b>14,504,182</b>
Less Accumulated Depreciation	(3,788,911)	(279,200)	—	(4,068,111)
<b>Net Property and Equipment</b>	<b>\$ 9,982,343</b>	<b>\$ 602,718</b>	<b>\$ 269,000</b>	<b>\$ 10,853,071</b>

For the year ended December 31, 2003, depreciation expense totaled \$279,200.

**NOTE 7 - AD VALOREM TAXES**

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Grant Parish. For the year ended December 31, 2003, the Town levied 7.33 mills for general corporate purposes and 2.25 mills for debt service on general obligation bonds issued by the waterworks enterprise fund.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed. There were no material amounts of uncollectible ad valorem taxes at December 31, 2003.

**NOTE 8 - CONTRIBUTED CAPITAL**

An analysis of the Town's contributed capital account is presented as follows:

Beginning Balance	\$ 1,477,488
Grant funding - State USAF Program	183,787
Capital entry funds - State of La.	318,557
Depreciation on Improvements Financed with Contributed Capital	(296,783)
<b>Ending Balance</b>	<b>\$ 1,683,049</b>

**NOTE 9 - RISK MANAGEMENT**

The Town is exposed to various risk of loss related to toxic, theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town insures against these risk described above by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance coverage. Settled claims resulting from these insured risk have not exceeded insurance coverage in any of the past three fiscal years.

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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**NOTE 10 - PENSION PLAN**

The only pension plan offered by the Town are to certain qualified members of the Police Department. If employees are eligible then they may join the Municipal Police Employees Retirement System of Louisiana. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by separate board of trustees. Pertinent information relative to this plan is presented as follows:

*Plan Description.* All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do so without their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 9461 United Plaza Boulevard, Baton Rouge, Louisiana 70806-2250, or by calling (225) 929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town is established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System for the years ending December 31, 2003 were equal to the required contributions for the year and totaled \$ None. There were no eligible employees during the 2003 year.

**NOTE 11 - INTERGOVERNMENTAL AGREEMENT**

The Town operates a municipal airport on property that was originally donated by the Federal Government. Since the property was provided by Federal monies, the Federal government retains a degree of oversight responsibility. In the course of exercising its oversight responsibility, the Federal Aviation Administration (FAA) determined that certain monies generated by the Airport property were used to fund non-airport municipal expenditures in violation with its agreements.

In response to the findings described above, the Town has entered into a repayment agreement with the FAA. The agreement, which was accepted by the FAA on November 11, 1987 requires the general fund to repay a total of \$150,889 to the Municipal Airport Enterprise Fund. Under the terms of the repayment agreement, the general fund is required to execute \$2,000 installments on an

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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annual basis. In addition, the general fund will receive credit for the following in-kind services provided on behalf of the Airport.

- Twenty-four percent (24%) of the Town Clerk's salary.
- An annual allowance of \$600 for the Town Clerk's office expense.
- Twenty-six percent (26%) of the Police Chief's salary.
- An annual allowance of \$900 for the Police Chief's vehicle expense.

The amount currently payable by the general fund to the municipal airport enterprise fund is presented as an advance in the accompanying financial statements. The amount presented in the accompanying financial statements was computed as follows:

Original Balance -- November 31, 1987	\$ 328,298
In-kind payments for the year ended:	
December 31, 1993 through December 31, 2000	(91,800)
December 31, 2001	(13,600)
Cash payments for year 1993 through 2001	(13,800)
Balance-December 31, 2003	\$ 209,798

**NOTE 12 - RESTRICTED RESOURCES**

Restrictions imposed by various laws, regulations, contracts and grants are summarized as follows:

Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants.

The Town operates a municipal airport on property that was originally provided by Federal sources. Restrictions imposed by the donor require resources generated by the property to be used solely for operation of the Airport and maintenance of the property.

Assets, liabilities, and equity classified as restricted are summarized as follows:

	Utility Funds (Water & Sewer)	Municipal Airport	Total
<b>Enterprise Funds</b>			
Cash	\$ 234,112	\$ 186,154	\$ 444,266
Other assets	—	443,275	443,275
Total Restricted Assets	234,112	629,429	884,141
Liabilities Payable from Restricted Assets	—	(3,733)	(3,733)
Total Restricted Retained Earnings	\$ 234,112	\$ 625,756	\$ 884,360

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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**NOTE 13 – CONTINGENCIES**

**Litigation**

The Town is currently named as a defendant in a legal matter regarding traffic tickets issued by the municipal police department. Traffic tickets being addressed by the litigation were issued in a area that was determined to be outside of the Town's boundaries. The defendant has petitioned the court for a refund of all fines paid in connection with tickets issued outside of the Town's boundaries. Fines collected by the Town in connection with tickets of this nature total approximately \$80,000.

At the present time, it is impossible to determine the potential outcome of the pending litigation. Insurance coverage is available for the purpose of funding the Town's legal defense and paying any punitive damages that may be awarded by the courts; however, if the plaintiff prevails, the Town may be responsible for repaying fines collected.

**Utility Relocation**

Portions of the Town's Utility Systems are located in the right of way of various state roads. In connection with improvements to the State Highway System, it has been necessary for the town to relocate portions of its service lines. In order to assist with the financial burden of line relocation, the state has provided Utility Relocation Assistance Funds(URAF) to the town. The URAF program states that such assistance are not loans and the town is not currently required to repay or reimburse the state for this funding. The town may eventually be required to reimburse/repay these funds in order for the town to have access to state owned rights of ways in the future. For the year ended December 31, 2002 and 2003, the town received \$260,959 in URAF assistance. The amount of URAF assistance the town has received in years prior to 2002 cannot be presently be determined.

**NOTE 14 – ECONOMIC DEVELOPMENT ACTIVITIES**

In order to enhance the local economy and provide employment opportunities for the citizens of Pollock, the Town has devoted substantial attention and resources to the development of a federal prison facility. The Town's activities associated with this project are summarized as follows:

**Prison Site**

In order to make the Town's property available for a prison site it was necessary to negotiate a release from the deed restriction. As consideration for the release of the deed restriction, the FAA required compensation for Town's Municipal Airport. The Town agreed to provide compensation by transferring funds from the Utility System to the Municipal Airport. Under the terms of this arrangement, funds are required to be transferred in annual installments of \$19,800. Furthermore, the annual transfer must be completed for a period of ten consecutive years beginning March 31, 2000.



**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

Based on the present value of the compensation payable to Municipal Airport, the cost of the Utility System's investment in the prison site was determined to be \$194,764. Upon release of the deed restrictions, the prison site was donated to the Bureau of Prisons.

**Utility Service Commitment**

The Town has entered into an agreement to provide water and sewer service for the federal prison facility. In order to fulfill this commitment, the Town constructed a new water system and sewer system, which are collectively referred to as the Industrial Utility System. Funding for a portion of new utility infrastructure was provided by a tap fee in the amount of \$1,000,000 that was collected from the Bureau of Prisons during 1999. Funding for the remaining improvements was provided by a capital outlay project and by issuing revenue bonds. In September 2003, the Town negotiated a second Prison site with the Bureau of Prisons which calls for a payment of a tap fee of \$ 3,623,750 and increased monthly utility fees. This new tap fee is expected to cover the costs of needed expansion of the water and sewer systems to accommodate the new facility. This \$3,623,750 tap fee was received and recorded as revenue in 2004.

Revenue earned from providing services to the Bureau of Prisons will be used to operate the Utility System and service debt incurred in connection with construction of the system. Furthermore, income from the Utility System will provide a source of funds for compensating the Municipal Airport for land that was included in the prison site.

**NOTE 15 - ADVANCES**

As discussed previously, the Municipal Airport Fund is entitled to collect certain advances from other funds. The nature of these advances and the current balances are described in the following manner:

	Advances Receivable (Payable)		
	Municipal Airport Fund	General Fund	Utility Fund
The Municipal Airport Fund has provided advances to the General Fund. As discussed in Note 12, the original balance of \$150,000 is being eliminated through a formal equipment plan .....	\$ 228,290	\$ (228,290)	\$ —
As discussed in Note 13, the Municipal Airport is entitled to receive compensation in exchange for land provided to accommodate a federal prison facility. The original balance of \$194,764 is payable in ten installments of \$19,476, which include interest computed at a rate of 4.75% .....	181,387	—	181,387
	\$ 359,587	\$ (228,290)	\$ 181,387

**TOWN OF POLLOCK**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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**NOTE 16 - BUDGET VARIANCES/PRESENTATIONS**

During the year ended December 31, 2003, the Town's general fund experienced an unfavorable budget variance that exceeded the limits allowed by State Law. The Town's cash basis budgeted expenditures totaled \$278,800 while the actual cash basis expenditures totaled \$297,376. This is a \$18,576 unfavorable variance and was caused by unexpected transfers to the Sewer Fund.

The Town adopts its operating budget for the General Fund on the cash basis of accounting, which differs from generally accepted accounting principles (GAAP). A reconciliation of net income determined using the cash basis of accounting and net income derived from the GAAP basis of accounting, has been provided as follows:

Net income - GAAP basis	\$ 35,500	
Non-cash Operating Transfers to Accounts Receivable:		(13,600)
Current	\$ (12,350)	
Prior	11,878	1,548
<b>Intertial Accruals Fund:</b>		
Current	(21,787)	
Prior	21,787	-
<b>Accounts Payable:</b>		
Current	4,871	
Prior	(2,900)	1,971
<b>Intertial Payables:</b>		
Current	(2,400)	
Prior	1,088	(1,312)
Net loss - cash basis		<u>\$ 23,039</u>

TOWN OF POLLOCK  
SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2009

**TOWNSHIP OF POLLOCK, LOUISIANA**  
**CAPITAL PROJECTS FUND**  
 Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 For the Year Ended December 31, 2025

	<u>CAPITAL OUTLAY FUND</u>	<u>GENERAL CAPITAL PROJECTS FUND</u>	<u>TOTAL</u>
<b>REVENUES:</b>			
Incorporational:			
State capital outlay	\$ 318,000	\$ -	\$ 318,000
Use of money and property	<u>-</u>	<u>0</u>	<u>0</u>
<b>Total revenues</b>	<u>318,000</u>	<u>0</u>	<u>318,000</u>
<b>EXPENDITURES:</b>			
Capital outlay:			
General projects	-	18,731	18,731
Access road construction	<u>318,000</u>	<u>-</u>	<u>318,000</u>
<b>Total expenditures</b>	<u>318,000</u>	<u>18,731</u>	<u>336,731</u>
<b>Excess (deficiency) of revenues over expenditures</b>	-	(18,731)	(18,731)
<b>OTHER FINANCIAL SOURCES (USES):</b>			
Operating transfers in			
Operating transfers out	<u>-</u>	<u>(18,000)</u>	<u>(18,000)</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	-	(18,731)	(18,731)
<b>Fund balance (deficit) - beginning of year</b>	<u>001</u>	<u>28,461</u>	<u>28,462</u>
<b>Fund balance (deficit) - end of year</b>	<u>\$ 001</u>	<u>\$ 9,730</u>	<u>\$ 10,008</u>

**TOWN OF POLLOCK, LOUISIANA**  
**PROPRIETARY FUNDS**  
 Combining Schedule of Revenues and Expenses  
 For the Year Ended December 31, 2023

	WATERWORKS EXPENSE FOUR	SEWER SYSTEM EXPENSE FOUR	MUNICIPAL AIRPORT EXPENSE FOUR	TOTAL
<b>OPERATING REVENUES:</b>				
Water sales	\$ 363,756	\$ -	\$ -	\$ 363,756
Service charges	-	229,287	-	229,287
Other	11,795	263	11,227	23,285
<b>Total operating revenues</b>	<u>375,551</u>	<u>229,550</u>	<u>11,227</u>	<u>616,328</u>
<b>OPERATING EXPENSES:</b>				
Appropriation	17,161	124,684	1,688	243,533
Depreciation	9,286	13,232	2,227	34,745
Legal and professional	3,908	4,789	13,811	22,508
Miscellaneous	6,493	347	347	7,187
Office expense	2,228	-	-	2,228
Payroll taxes and benefits	10,092	8,881	-	18,973
Repairs/Maintenance and Operations	62,793	61,236	1,681	125,710
Utilities and energy	12,214	17,568	-	29,782
Utilities and telephone	21,822	13,214	3,240	38,276
<b>Total operating expenses</b>	<u>247,917</u>	<u>319,247</u>	<u>20,634</u>	<u>587,808</u>
Operating income (loss)	127,634	(89,697)	(9,407)	(71,470)
<b>NON-OPERATING REVENUES/EXPENSES:</b>				
Aid reimbursements	3,824	-	-	3,824
Interest income	1,341	-	14,134	15,475
Interest expense	(1,891,242)	(26,786)	-	(1,918,028)
<b>Net income (loss) before operating transfers</b>	<u>(177,863)</u>	<u>(114,269)</u>	<u>(14,273)</u>	<u>(306,405)</u>
Operating transfers in (out)	<u>491,814</u>	<u>692,19</u>	<u>(13,683)</u>	<u>1,170,330</u>
<b>Net income (loss)</b>	<u>\$ 313,951</u>	<u>\$ 577,921</u>	<u>\$ 27,654</u>	<u>\$ 919,526</u>

TOWN OF POLLOCK, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS  
For the year-ended December 31, 2003

Jerome Scott, Mayor	\$ 3,000
Warren D. Willet, Alderman	3,000
Barbara Davis, Alderwoman	3,000
Sandra Harmon, Alderman	3,000
Harold Kendrew, Alderman	2,000
Sharon Zuh, Alderman	1,250
Tracy Slaughter, Alderman	1,815
Charles Butterfield, Alderman	1,640
	<hr/>
Total Compensation	<u>\$ 24,155</u>

**TOWN OF POLLOCK**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

We were engaged to audit the financial statements of the Town of Pollock as of and for the year ended December 31, 2003, and have issued our report thereon dated May 28, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governor's Auditing Standards*, issued by the Comptroller General of the United States. Our report expressed an unqualified opinion on the Town's financial statements for the year ended December 31, 2003.

**Section I – Summary of Auditor's Results:**

- The Independent Auditor's Report on the financial statements for the Town of Pollock as of December 31, 2003 and for the year then ended expressed an unqualified opinion.
- The results of the audit disclosed no reportable conditions that are considered to be material weaknesses.
- The results of the audit disclosed no instances of noncompliance that are considered to be material to the general purpose financial statements of the Town of Pollock.
- The Town was not required to have a Single Audit; therefore, none of the reporting required by OMB Circular A-133 was required.

**Part II – Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:**

- None.

**Part III – Findings and Questioned Costs for Federal Awards Which Shall Include Audit Findings as Defined by OMB Circular A-133:**

- None.

**TOWN OF POLLOCK**  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2015

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<b>SECTION I – INTERNAL CONTROLS AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
There were no findings in this area.	Not applicable.
<b>SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
There were no findings in this area.	Not applicable.
<b>SECTION III – MANAGEMENT LETTER</b>	
There was no management letter issued with the audit.	Not applicable.



**TOWN OF POLLOCK**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**DECEMBER 31, 2003**

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**SECTION I - INTERNAL CONTROLS AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

<b>Finding:</b> There are no prior year findings in this area.	<b>Response:</b> Not applicable.
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**SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO  
FEDERAL AWARDS**

<b>Finding:</b> There are no prior year findings in this area.	<b>Response:</b> Not applicable.
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**SECTION III - MANAGEMENT LETTER**

<b>Finding:</b> There is no management letter issued with the prior report.	<b>Response:</b> Not applicable.
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