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**VILLAGE OF
GROSSE TETE, LOUISIANA**

FINANCIAL REPORT

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 7-21-04

VILLAGE OF GROSSE TETE, LOUISIANA

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CALVIN L. ROBBINS, JR.
CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL CORPORATION)

**INDEPENDENT AUDITOR'S REPORT ON THE GENERAL PURPOSE
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

To the Honorable Mayor and Members
of the Board of Aldermen
Village of Grosse Tete, Louisiana

I have audited the accompanying general purpose financial statements of the Village of Grosse Tete, Louisiana, and the individual fund and account group financial statements of the Village as of and for the year ended December 31, 2003 as listed in the accompanying table of contents. These financial statements are the responsibility of the Village's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.


In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Grosse Tete, Louisiana, at 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.

Also, in my opinion, the individual fund and account group financial statements referred to above present fairly, in all material respects the financial position of each of the individual funds and account groups of the Village of Grosse Tete, Louisiana, at December 31, 2003, and the results of operations of such funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 22, 2004 on my consideration of the Village of Grosse Tete's internal control over financial reporting and my 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 my audit.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the individual fund and account group financial statements. The accompanying financial information listed as schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Village of Grosse Tete, Louisiana. Such information, except for the "Schedule of Insurance in Force", marked unaudited, on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose, individual fund and account group financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was derived from the financial statements for that year. Those financial statements were audited by other auditors whose report, dated May 15, 2003, expressed an unqualified opinion on the general purpose, individual fund and account group financial statements of the Village of Grosse Tete, Louisiana.


Certified Public Accountant
(A Professional Corporation)

June 22, 2004
Baton Rouge, Louisiana

VILLAGE OF GROSSE TETE, LOUISIANA

General Purpose Financial Statements

December 31, 2003

Exhibit A

VILLAGE OF GROSSE TETE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 2003

ASSETS AND OTHER DEBITS	Governmental Fund Types						Proprietary Fund Type			Account Groups			Totals			
	General		Special Revenue		Fixed Assets		Enterprise			General		Long-Term Debt		(Memorandum Only)		
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Assets																
Cash and cash equivalents	\$ 170,769	\$ 76,993	\$ 10,772	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 258,534	\$ 274,528
Investments	235,355	34,691	6,736	-	-	-	-	-	-	-	-	-	-	276,782	295,777	
Receivables (net of allowance for uncollectibles)																
Taxes	8,084	-	-	-	-	-	-	-	-	-	-	-	-	8,084	6,923	
Accounts	-	-	9,397	-	-	-	-	-	-	-	-	-	-	9,397	9,428	
Intergovernmental	32,311	5,039	852	-	-	-	-	-	-	-	-	-	-	38,202	31,057	
Property, plant and equipment (net where applicable of accumulated depreciation)	-	-	474,436	-	-	-	1,120,894	-	-	-	-	-	-	1,595,330	1,547,753	
Due from other fund	101,079	-	-	-	-	-	-	-	-	-	-	-	-	101,079	79,808	
Prepaid expenses	6,812	3,517	-	-	-	-	-	-	-	-	-	-	-	10,329	12,396	
Amount to be provided for retirement of general long term debt	-	-	-	-	-	-	-	-	-	122,706	-	-	-	122,706	143,247	
Total Assets And Other Debits	\$ 554,410	\$ 120,240	\$ 502,193	\$ 1,120,894	\$ 122,706	\$ 2,420,443	\$ 2,400,917									

VILLAGE OF GROSSE TETE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups, Continued December 31, 2003

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types						Proprietary Fund Type			Account Groups			Totals (Memorandum Only) 2003
	General		Special Revenue		Enterprise		General		Long-Term Debt		2002		
Liabilities													
Account and payroll taxes payable	\$ 44,017	\$ 2,646	\$ 9,044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,707	\$ 13,566	
Due to other fund	-	20,204	80,875	-	-	-	-	-	-	-	101,079	79,808	
Capital leases payable	-	-	-	-	-	-	-	122,706	-	-	122,706	143,247	
Total liabilities	44,017	22,850	89,919	-	122,706	-	279,492	-	-	-	236,621		
Equity And Other Credits													
Investment in general fixed assets	-	-	-	1,120,894	-	-	-	-	-	-	1,120,894	1,084,082	
Contributed capital	-	-	504,537	-	-	-	-	-	-	-	504,537	489,537	
Accumulated deficit	-	-	(92,263)	-	-	-	-	-	-	-	(92,263)	(70,369)	
Unreserved	-	-	-	-	-	-	-	-	-	-	-	-	
Fund balances	-	97,390	-	-	-	-	-	-	-	-	97,390	117,691	
Reserved for fire protection	-	-	-	-	-	-	-	-	-	-	-	-	
Unreserved - undesignated	510,393	-	-	-	-	-	-	-	-	-	510,393	543,355	
Total equity and other credits	510,393	97,390	412,274	1,120,894	-	-	2,140,951	-	-	-	2,164,296		
Total Liabilities, Equity And Other Credits	\$ 554,410	\$ 120,240	\$ 502,193	\$ 1,120,894	\$ 122,706	\$ 2,420,443	\$ 2,400,917	\$ -	\$ -	\$ -	\$ -	\$ -	

VILLAGE OF GROSSE TETE, LOUISIANA

Combined Statements of Revenues, Expenditures, and Changes in
Fund Balances - All Governmental Fund Types

Year Ended December 31, 2003

	General	Special Revenue	Totals (Memorandum Only)	
			2003	2002
Revenues				
Taxes	\$ 36,547	\$ -	\$ 36,547	\$ 30,664
Licenses and permits	33,210	-	33,210	33,247
Intergovernmental	300,785	80,496	381,281	499,145
Fines	19,308	-	19,308	28,274
Interest	2,205	1,778	3,983	5,258
Miscellaneous	17,071	-	17,071	1,900
Total revenues	409,126	82,274	491,400	598,488
Expenditures				
Current				
General government	134,468	-	134,468	103,342
Public safety	62,389	44,563	106,952	88,959
Highways and streets	148,382	-	148,382	148,867
Health	3,298	-	3,298	3,049
Culture and recreation	626	-	626	2,468
Capital outlay				
General government	1,663	-	1,663	-
Public safety	-	29,095	29,095	1,759
Culture and recreation	-	-	-	200
Highways and streets	51,262	-	51,262	12,041
Debt Service				
Principal	-	20,542	20,542	19,381
Interest charges	-	8,375	8,375	9,548
Total expenditures	402,088	102,575	504,663	389,614
Excess (Deficiency) Of Revenues Over Expenditures	7,038	(20,301)	(13,263)	208,874
Other Financing (Uses) Sources				
Operating transfers (out)	(40,000)	-	(40,000)	(35,000)
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) Sources	(32,962)	(20,301)	(53,263)	173,874
Fund Balances				
Beginning	543,355	117,691	661,046	487,172
Ending	\$ 510,393	\$ 97,390	\$ 607,783	\$ 661,046

VILLAGE OF GROSSE TETE, LOUISIANA

Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds **Year Ended December 31, 2003**

	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues					
Taxes	\$ 40,000	\$ 36,547	\$ (3,453)	\$ -	\$ -
Franchise					
Licenses and permits					
Business	33,500	33,210	(290)	-	-
Intergovernmental					
State shared revenues					
Video poker	89,000	92,219	3,219	-	-
Highway maintenance	1,700	847	(853)	-	-
Alcoholic beverage tax	1,150	1,408	258	-	-
Law enforcement	-	-	-	-	-
Iberville Parish shared revenues					
Sales and use tax	201,500	206,311	4,811	80,496	1,796
Fines	19,930	19,308	(622)	-	-
Interest	3,800	2,205	(1,595)	1,778	(22)
Miscellaneous	1,500	17,071	15,571	-	-
Total Revenues	392,080	409,126	17,046	82,274	1,774

VILLAGE OF GROSSE TETE, LOUISIANA

Combined Statements of Revenues, Expenditures and Changes in Fund

Year Ended December 31, 2003

Balances - Budget and Actual -

General and Special Revenue Funds, Continued

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures						
Current						
General government	\$ 147,900	\$ 134,468	\$ 13,432	\$ -	\$ -	\$ -
Public safety	62,575	62,389	186	46,028	44,563	1,465
Highways and streets	133,800	148,382	(14,582)	-	-	-
Health	3,850	3,298	552	-	-	-
Culture and recreation	1,000	626	374	-	-	-
Total current expenditures	349,125	349,163	(38)	46,028	44,563	1,465
Capital outlay						
Public safety	-	1,663	(1,663)	22,000	29,095	(7,095)
Highways and streets	29,222	51,262	(22,040)	-	-	-
Total capital outlay	29,222	52,925	(23,703)	22,000	29,095	(7,095)
Debt service						
Principal	-	-	-	20,747	20,542	205
Interest	-	-	-	8,375	8,375	-
Total debt service	-	-	-	29,122	28,917	205
Total Expenditures	378,347	402,088	(23,741)	97,150	102,575	(5,425)

VILLAGE OF GROSSE TETE, LOUISIANA

Combined Statements of Revenues, Expenditures and Changes in Fund

Year Ended December 31, 2003

Balance - Budget and Actual -

General and Special Revenue Funds, Continued

	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 13,733	\$ 7,038	\$ (6,695)	\$ (20,301)	\$ (3,651)
Other Financing (Uses) Sources					
Operating transfers (out) in	(55,000)	(40,000)	15,000	-	-
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures and Other Financing (Uses) Sources	(41,267)	(32,962)	8,305	(20,301)	(3,651)
Fund Balances					
Beginning	543,355	543,355	-	117,691	-
Ending	\$ 502,088	\$ 510,393	\$ 8,305	\$ 97,390	\$ (3,651)

VILLAGE OF GROSSE TETE, LOUISIANA

*Comparative Statements of Revenues, Expenses and Changes in Accumulated Deficit
Proprietary Fund Type - Enterprise Fund* *Years Ended December 31, 2003 and 2002*

	2003	2002
Operating Revenues		
Charges for services		
Water sales	\$ 72,524	\$ 69,707
Service connection and other fees	19,538	12,525
Other operating revenue	2,572	2,665
Total operating revenues	94,634	84,897
Operating Expenses		
Salaries and wages	35,663	32,402
Depreciation	17,577	14,276
Tools and supplies	8,923	3,869
Repairs and maintenance	1,009	18
Postage, printing and office supplies	2,966	2,651
Insurance and bonds	8,620	6,259
Bad debts	623	1,035
Professional services	17,543	25,456
Sewer expenses	11,865	8,319
Shared cost - Water District 4	49,635	40,565
Miscellaneous	2,155	2,022
Total operating expenses	156,579	136,872
Operating (Loss)	(61,945)	(51,975)
Nonoperating Revenues		
Interest on investments	51	95
Operating transfer in	40,000	35,000
Net (Loss)	(21,894)	(16,880)
Accumulated (Deficit)		
Beginning	(70,369)	(53,489)
Ending	\$ (92,263)	\$ (70,369)

VILLAGE OF GROSSE TETE, LOUISIANA

*Comparative Statements of Cash Flows
Proprietary Fund Type - Enterprise Fund*

Years Ended December 31, 2003 and 2002

	2003	2002
Reconciliation of Operating (Loss) to Net Cash		
(Used In) Operating Activities		
Operating (loss)	\$ (61,945)	\$ (51,975)
Adjustments to reconcile operating (loss) to net cash provided by operating activities		
Depreciation	17,577	14,276
Provision for doubtful accounts	622	1,035
Change in assets and liabilities		
Increase in due to other funds	12,077	39,598
(Increase) decrease in accounts receivable	(591)	(759)
(Increase) in prepaid expenses	146	(998)
(Decrease) in accounts payable and accrued expenses	6,669	(1,388)
Net Cash (Used In) Operating Activities	(25,445)	(211)
Cash Flows From Investing Activities		
Interest on investments	51	95
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(28,342)	(61,767)
Capital grants	15,000	30,000
Operating transfer in from general fund	40,000	35,000
Net Cash Provided By Capital and Related Financing Activities	26,658	3,233
Change In Cash And Cash Equivalents	1,264	3,117
Cash And Cash Equivalents		
Beginning	9,508	6,391
Ending	\$ 10,772	\$ 9,508

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements

December 31, 2003

Introduction

The Village of Grosse Tete, Louisiana was incorporated in 1952 under R.S. 33.1 to provide municipal services including police and fire protection, water and sewer services, street maintenance, recreation and any other lawful service to the citizens of The Village. The Village is governed by a Mayor and three person Board of Alderman. The Village is located in the northern part of Iberville Parish, Louisiana along Interstate Highway 10 and Louisiana Highway 77. The Village is approximately 1.5 square miles and has approximately 676 residents. There are twelve employees. The Village serves 292 water and sewer customers and maintains approximately seven miles of roads.

1. Summary of Significant Accounting Policies

Basis of Presentation. The financial statements of the Village of Grosse Tete, Louisiana (Village) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Reporting Entity. As the municipal governing authority, for reporting purposes, the Village of Grosse Tete, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Village of Grosse Tete, Louisiana 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 municipality to impose its will on that organization and/or

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements

December 31, 2003

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
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.

As required by generally accepted accounting principles, these financial statements present the Village of Grosse Tete, Louisiana (the primary government) and its component units. The component units included in the accompanying financial statements are blended with the municipality's funds.

Blended Component Units. Component units that are legally separate from the municipality, but are so intertwined with the municipality that they are, in substance, the same as the municipality are blended component units. For a component unit to be blended, the organization's board and the municipality must be substantively the same, or the organization must provide services entirely or almost entirely to the municipality. The following component units are reported as part of the municipality and blended with the appropriate municipality funds:

The Grosse Tete Volunteer Fire District serves the citizens of Grosse Tete, Louisiana. Its year end is December 31. The Fire District is governed by the Mayor and Board.

Fund Accounting. The Village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked moneys (special revenue fund), the acquisition or construction of general fixed assets (capital project fund), and the servicing of general long term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise funds – account for operations (a) 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 had 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.

Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other uses) in net current assets.

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

All governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

Those revenues susceptible to accrual are property taxes, franchise taxes, fines, interest revenue and charges for services. Sales taxes collected and held by the parish and beer and tobacco taxes collected and held by the state at year end on behalf of the Village also are recognized as revenue. Licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash.

The proprietary fund type utilizes the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

Budgets. Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for capital project funds.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is not utilized in the governmental funds. Encumbrances outstanding at year end are immaterial and not reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Cash and Cash Equivalents. Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Village.

State statutes authorize the Village to invest in obligations of the U. S. Treasury and U.S. agencies, certificates of deposit in Louisiana banks, or any other federally insured investment.

Investments. Investments are stated at cost or amortized cost. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the municipality's investment policy. If the original maturities of investments exceed 90 days, they are classified as investment; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Short Term Interfund Receivables/Payables. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other fund" or "due to other fund" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables".

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

Inventories. Purchases of operating supplies are recorded as expenditures when purchased; inventories of such supplies are not recorded and are not considered by management to be material.

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

Fixed Assets. General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Proprietary fund type property and equipment is capitalized in the fund in which it is utilized. All purchased fixed assets are valued at cost where historical records are available and at an estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the Village.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund type is computed using the straight-line method.

Compensated Absences. Vacation benefits must be taken in the year earned and no carryover of unused leave is allowed. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Fund Equity. 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 not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Interfund Transactions. Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of the expenditures/expenses in the fund that is reimbursed.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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

Comparative Data. Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Risk Management. The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Village purchases commercial insurance policies at levels which management believes is adequate to protect the Village. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

Estimates. The preparation of financial statements in conformity with generally accepted accounting principles require 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

2. Legal Compliance - Budgets

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

- A. The Village Clerk prepares a proposed budget for submission to the Mayor and Board of Aldermen no later than 15 days prior to the beginning of the ensuing fiscal year.
- B. 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.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

- C. A public hearing is held on the proposed budget at least 10 days after publication of the call for the hearing.
- D. After the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- E. 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.
- F. Formal budgetary integration is employed as a management control device during the year for the General Funds.
- G. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments are not material in relation to the original appropriations.

3. Deposits and Investments

Deposits. Under State law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). 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. The Village's deposits are categorized to give an indication of the level of risk assumed by the Village. The categories are described as follows:

- Category 1.* Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2.* Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3.* Collateralized with securities held by the pledging financial institution's trust department or agent but not in the entity's name.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

At December 31, 2003	Bank Balance	Category			Carrying Amount
		1	2	3	
Deposits	\$ 168,878	\$100,000	\$ -	\$ 68,878	\$ 167,195
Cash on hand	30	-	-	-	30
Total cash	<u>\$ 168,908</u>	<u>\$100,000</u>	<u>\$ -</u>	<u>\$ 68,878</u>	<u>\$ 167,225</u>

Investments. The Village's investments are categorized as either (1) insured or registered or for which the securities are held by the Village or its agent in the Village's name, (2) uninsured and unregistered for which the securities are held by the Village in the Village's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Village's name.

Certificates of Deposit	Bank Balance	Category			Carrying Amount
		1	2	3	
	\$ 317,739	\$ -	\$ -	\$317,739	\$ 317,739
	<u>\$ 317,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$317,739</u>	<u>\$ 317,739</u>

Local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at market value and are equal to the value of the pool shares.

Investments in LAMP held at December 31, 2003 and 2002 were \$50,352 and \$0 respectively. In accordance with GASB Codification Section I50.165, the investment in LAMP at December 31, 2003 and 2002 are not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in a pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The LAMP corporation is governed by a board of directors comprising the State treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consist of no securities with a maturity in excess

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

In order to accurately compare the cash and investments shown on the combined balance sheet (Exhibit A) with carrying values of deposits and investments disclosed in the schedules above, the following is provided:

Captions in Note 3	
Carrying value of bank deposits	\$ 167,225
Carrying value of investments	317,739
Carrying value of LAMP deposits	<u>50,352</u>
Total	<u>\$ 535,316</u>

Captions on combined balance sheet:	
Cash and cash equivalents	\$ 258,534
Investments	<u>276,782</u>
Total	<u>\$ 535,316</u>

4. Receivables

Receivables at December 31, 2003, consist of the following.

	General	Special Revenue	Enterprise	Total
Receivables				
Accounts	\$ 8,084	\$ -	\$ 10,008	\$ 18,092
Intergovernmental	<u>32,311</u>	<u>5,039</u>	<u>852</u>	<u>38,202</u>
Gross receivables	40,395	5,039	10,860	56,294
Less allowance for uncollectible	<u>-</u>	<u>-</u>	<u>611</u>	<u>611</u>
Net total receivables	<u>\$ 40,395</u>	<u>\$ 5,039</u>	<u>\$ 10,249</u>	<u>\$ 55,683</u>

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

5. Fixed Assets

The following is a summary of changes in the general fixed assets account group during the fiscal year.

	Balance December 31, 2002	Additions	Retirements	Balance December 31, 2003
Land	\$ 25,968	\$ -	\$ -	\$ 25,968
Buildings	239,366	1,663	-	241,029
Improvements other than buildings	30,908	-	-	30,908
Equipment	787,839	59,033	23,883	822,989
Total	<u>\$ 1,084,081</u>	<u>\$ 60,696</u>	<u>\$ 23,883</u>	<u>\$ 1,120,894</u>

The following is a summary of proprietary fund type, enterprise fund fixed assets at December 31.

	2003
Water system and equipment	\$ 670,631
Less accumulated depreciation	<u>196,195</u>
Net fixed assets	<u>\$ 474,436</u>

In the enterprise fund, the following estimated useful lives are used to compute depreciation.

	Years
Water system	33-50
Equipment	3-10

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

6. Interfund Assets/Liabilities

Due from/to other funds.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Enterprise	\$ 71,848
General	Special	<u>14,186</u>
		<u>\$ 86,034</u>

7. Retirement Commitments

Municipal Employees Retirement System of Louisiana (MERS)

Plan Description. Substantially all of the Village's full-time general employees participate in the MERS, a cost sharing, multiple-employer defined benefit pension plan administered by a separate Board of Trustees. MERS provides retirement, disability, and survivor benefits to participating, eligible employees and beneficiaries. Benefits are established and amended by state statute and are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. (All employees of the municipality are members of Plan A.)

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly or life, equal to 3% 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 not withdraw their employee contributions, may retire at the ages specified above 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.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

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 Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225)925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the Village of Grosse Tete is required to contribute at an actuarially determined rate. The current rate is 8% of annual covered payroll. Contributions to the System also include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Village of Grosse Tete are established and may be amended by state statute. As provided by R.S. 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 Village of Grosse Tete contributions to the System under Plan A for the years ending December 31, 2003, 2002, and 2001 were \$9,409, \$6,861, and \$5,701, respectively, equal to the required contributions for each year.

Municipal Police Employees Retirement System of Louisiana (MPERS)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the MPERS. 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 1/3% 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 not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The MPERS also provides death and disability benefits. Benefits are established or amended by state statute.

MPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Police Employees Retirement System, 8401 United Plaza Boulevard, Suite 270, Baton Rouge, Louisiana, 70809, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7½% of their annual covered salary and employers are required to contribute at an actuarially determined rate. The current employer rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village's contributions to MPERS for the years ending December 31, 2003, 2002, and 2001, were \$2,182, \$1,352, and \$1,296, respectively, and were equal to the required contributions for each year.

8. Lease Commitments

On October 30, 2000, the Village entered into a municipal lease agreement with Emergency One, Inc. for the lease of a fire truck. The terms of the lease are for eight annual rental payments of \$29,122. The payments bear interest at 5.99%. The lease is cancelable on any anniversary date or at any time by paying a pro rata portion of the annual payment due. The lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is an analysis of equipment leased under capital leases as of December 31, 2003.

	General Fixed Assets
Fire truck	<u>\$ 180,914</u>

Although the lease has a non-appropriation cancellation provision, the following is a schedule of the future minimum lease payments anticipated under this capital lease and the present value of the net minimum lease payments at December 31, 2003.

	General Long Term Debt
2004	\$ 29,122
2005	29,122
2006	29,122
2007	29,122
2008	<u>29,122</u>
Total minimum lease payments	145,610
Less amount representing interest	<u>22,904</u>
Present value of future minimum lease payments	<u>\$ 122,706</u>

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

9. GASB 34 Implementation

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement no. 34, *Basic Financial Statements - and Management's Discussion and Analysis- for State and Local Governments*. GASB Statement No. 34 established new financial reporting requirements for all state and local governments and consists of the following:

- A. Management Discussion and Analysis (MD&A) section providing an analysis of the government entity's overall financial position and results of operations.
- B. Basic Financial Statements:
 - 1. Government-wide financial statements prepared using the economic resources measurement focus and the accrual basis of accounting. These statements are designed to provide a broad overview of a government entity's finances, in a manner similar to private sector business.
 - 2. Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds, using the modified accrual basis of accounting, and enterprise funds, if any.
 - 3. Notes to the financial statements that include various disclosures for the government-wide and fund financial statements to ensure that a complete picture is presented.
 - 4. Required supplementary information, such as budgetary comparison schedules.

In addition, this new GASB statement requires depreciation expense to be reported in the government-wide financial statements. However, depreciation expense will not be reported in the fund statements that use the modified accrual basis of accounting.

The Village will implement the general provisions of GASB Statement No. 34 by the fiscal year ending December 31, 2004.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2003

10. Changes in Contributed Capital

The following is a summary of changes in contributed capital:

	Enterprise Fund
Balance at December 31, 2002	\$ 489,537
Additions: State Capital Grant	<u>15,000</u>
Balance at December 31, 2003	<u>\$ 504,537</u>

VILLAGE OF GROSSE TETE, LOUISIANA

Supplementary Information

December 31, 2003

VILLAGE OF GROSSE TETE, LOUISIANA

Individual Fund and Account Group Statements and Schedules

December 31, 2003

VILLAGE OF GROSSE TETE, LOUISIANA

General Fund

December 31, 2003

The General Fund is used to account for resources, traditionally associated with governments, which are not required legally or by sound financial management to be accounted for in another fund.

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Balance Sheets

December 31, 2003 and 2002

General Fund

ASSETS	2003	2002
Assets		
Cash and cash equivalents	\$ 170,769	\$ 203,431
Investments	235,355	230,558
Receivables		
Taxes	8,084	6,923
Intergovernmental	32,311	25,137
Due from other fund	101,079	79,808
Prepaid expenses	6,812	7,042
Total Assets	\$ 554,410	\$ 552,899
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts and payroll taxes payable	\$ 44,017	\$ 9,544
Fund Balance		
Unreserved - undesignated	510,393	543,355
Total Liabilities and Fund Balance	\$ 554,410	\$ 552,899

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance General Fund

December 31, 2003 and 2002

	2003	2002
Revenues		
Taxes	\$ 36,547	\$ 30,664
Licenses and permits	33,210	33,247
Intergovernmental	300,785	386,017
Fines	19,308	28,274
Interest	2,205	3,477
Miscellaneous	17,071	1,900
Total Revenues	409,126	483,579
Expenditures		
Current		
General government	134,468	103,342
Public safety	62,389	52,798
Highways and streets	148,382	148,867
Health	3,298	3,049
Culture and recreation	626	2,468
Total current expenditures	349,163	310,524
Capital outlay		
General government	1,663	-
Public safety	-	1,759
Culture and recreation	-	200
Highways and streets	51,262	12,041
Total capital outlay	52,925	14,000
Total Expenditures	402,088	324,524
Excess of Revenues Over Expenditures	7,038	159,055
Other Financing (Uses)		
Operating Transfer Out	(40,000)	(15,000)
Excess of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(32,962)	144,055
Fund Balance		
Beginning	543,355	399,300
Ending	\$ 510,393	\$ 543,355

VILLAGE OF GROSSE TETE, LOUISIANA

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund**

December 31, 2003 and 2002

	2003		2002		Variance Favorable (Unfavorable)	Actual	Budget	Actual	Budget	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual						
Revenues										
Taxes										
Franchise	\$ 40,000	\$ 36,547	\$ (3,453)	\$ 40,000	\$ (9,336)			\$ 30,664	\$ 40,000	\$ (9,336)
Licenses and permits										
Business	33,500	33,210	(290)	32,000	1,247			33,247	32,000	1,247
Intergovernmental										
State shared revenues										
Video poker	89,000	92,219	3,219	79,000	8,888			87,888	79,000	8,888
Alcoholic beverage tax	1,150	1,408	258	1,800	130			1,930	1,800	130
Highway maintenance	1,700	847	(853)	1,700	(5)			1,695	1,700	(5)
Law enforcement	-	-	-	-	1,571			1,571	-	1,571
Iberville Parish shared revenues										
Sales and use tax	201,500	206,311	4,811	285,000	7,933			292,933	285,000	7,933
Fines	19,930	19,308	(622)	28,000	274			28,274	28,000	274
Interest	3,800	2,205	(1,595)	3,800	(323)			3,477	3,800	(323)
Miscellaneous	1,500	17,071	15,571	1,500	400			1,900	1,500	400
Total Revenues	392,080	409,126	17,046	472,800	10,779			483,579	472,800	10,779

VILLAGE OF GROSSE TETE, LOUISIANA

*Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund, Continued*

December 31, 2003 and 2002

	2003		2002		Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual				
Expenditures								
Current								
General government	\$ 147,900	\$ 134,468	\$ 13,432	\$ 109,150	\$ 103,342	\$ 5,808		
Public safety	62,575	62,389	186	65,150	52,798	12,352		
Highways and streets	133,800	148,382	(14,582)	155,525	148,867	6,658		
Health	3,850	3,298	552	3,850	3,049	801		
Culture and recreation	1,000	626	374	1,000	2,468	(1,468)		
Total current expenditures	349,125	349,163	(38)	334,675	310,524	24,151		
Capital outlay								
General government	-	1,663	(1,663)	-	-	-		
Public safety	-	-	-	1,600	1,759	(159)		
Culture and recreation	-	-	-	3,900	200	3,700		
Highways and streets	29,222	51,262	(22,040)	11,802	12,041	(239)		
Total capital outlay	29,222	52,925	(23,703)	17,302	14,000	3,302		
Total Expenditures	378,347	402,088	(23,741)	351,977	324,524	27,453		
Excess of Revenues Over Expenditures	13,733	7,038	(6,695)	120,823	159,055	38,232		
Other Financing (Uses)								
Operating transfers out	(55,000)	(40,000)	15,000	(15,000)	(15,000)	-		
Excess of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	(41,267)	(32,962)	8,305	105,823	144,055	38,232		
Fund Balance								
Beginning	543,355	543,355	-	399,300	399,300	-		
Ending	\$ 502,088	\$ 510,393	\$ 8,305	\$ 505,123	\$ 543,355	\$ 38,232		

Exhibit F-4

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Schedule of Expenditures Compared to Budget
General Fund

Years Ended December 31, 2003 and 2002

	2003		2002		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Current					
General government					
Salaries	\$ 46,850	\$ 44,809	\$ 2,041	\$ 34,934	\$ (684)
Per diem	15,600	18,000	(2,400)	14,400	-
Convention, meals and travel	9,225	10,419	(1,194)	6,681	(181)
Professional fees	36,225	22,373	13,852	11,505	8,495
Insurance and bonds	6,925	6,492	433	1,763	2,237
Telephone and utilities	9,450	11,399	(1,949)	10,721	(721)
Postage, printing and office supplies	2,300	2,342	(42)	1,833	(333)
Dues and subscriptions	2,750	2,620	130	1,785	115
Official journal	1,350	2,407	(1,057)	1,060	340
Miscellaneous	16,675	10,636	6,039	14,934	(2,434)
Uniforms	100	581	(481)	171	29
Building maintenance	450	2,390	(1,940)	3,555	(1,055)
Total general government	147,900	134,468	13,432	109,150	5,808
Public safety					
Police department					
Salaries	29,975	30,144	(169)	28,234	1,166
Convention, meals and travel	-	1,250	(1,250)	395	(395)
Retirement	2,000	2,182	(182)	1,352	148
Uniforms	1,150	1,175	(25)	778	222
Vehicle expense	7,075	5,861	1,214	3,061	939
Telephone	5,800	5,945	(145)	5,395	(395)
Tools and supplies	2,850	2,615	235	1,934	566
Miscellaneous	4,575	4,390	185	5,259	2,491
Insurance and bonds	9,150	8,827	323	6,390	7,610
Total police department	62,575	62,389	186	52,798	12,352
Total public safety	62,575	62,389	186	52,798	12,352

VILLAGE OF GROSSE TETE, LOUISIANA

**Comparative Schedule of Expenditures Compared to Budget, Continued
General Fund**

Years Ended December 31, 2003 and 2002

	2003		2002		Variance Favorable (Unfavorable)	
	Budget	Actual	Budget	Actual		
Highways and streets						
Labor	\$ 82,550	\$ 94,894	\$ (12,344)	\$ 98,500	\$ 101,533	\$ (3,033)
Convention, meals, and travel	-	-	-	-	300	(300)
Street lights	12,000	12,133	(133)	14,500	15,172	(672)
Equipment operations	14,600	14,120	480	9,600	10,562	(962)
Street material, tools and supplies	1,500	1,439	61	1,000	1,871	(871)
Insurance	13,600	17,929	(4,329)	16,500	10,792	5,708
Miscellaneous	8,700	7,014	1,686	14,225	7,731	6,494
Telephone and utilities	850	853	(3)	1,200	906	294
Total highways and streets	133,800	148,382	(14,582)	155,525	148,867	6,658
Health						
Dog pound	3,500	2,972	528	3,500	2,886	614
Health service	350	326	24	350	163	187
Total health	3,850	3,298	552	3,850	3,049	801
Culture and recreation						
Miscellaneous	1,000	626	374	1,000	2,468	(1,468)
Total Current Expenditures	349,125	349,163	(38)	334,675	310,524	24,151
Capital Outlay						
General government	-	1,663	(1,663)	-	-	-
Public safety - police	-	-	-	1,600	1,759	(159)
Culture and recreation	-	-	-	3,900	200	3,700
Highways and streets	29,222	51,262	(22,040)	11,802	12,041	(239)
Total Capital Outlay Expenditures	29,222	52,925	(23,703)	17,302	14,000	3,302
Total Expenditures	\$ 378,347	\$ 402,088	\$ (23,741)	\$ 351,977	\$ 324,524	\$ 27,453

VILLAGE OF GROSSE TETE, LOUISIANA

Special Revenue Fund

December 31, 2003

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Grosse Tete Volunteer Fire District - this fund is used to account for the receipt of dedicated revenues from the parish police jury for fire protection services.

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Balance Sheets

December 31, 2003 and 2002

Volunteer Fire District Special Revenue Fund

ASSETS	2003	2002
Assets		
Cash	\$ 76,993	\$ 61,589
Investments	34,691	58,483
Due from other governments	5,039	5,920
Prepaid expenses	3,517	4,356
Total Assets	\$ 120,240	\$ 130,348
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts and payroll taxes payable	\$ 2,646	\$ 1,647
Due to other funds	20,204	11,010
Total liabilities	22,850	12,657
Fund Balance		
Reserved for fire protection	97,390	117,691
Total fund balance	97,390	117,691
Total Liabilities and Fund Balance	\$ 120,240	\$ 130,348

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance Volunteer Fire District Special Revenue Fund

December 31, 2003 and 2002

	2003	2002
Revenues		
Intergovernmental		
Iberville Parish operating grant	\$ 80,496	\$ 113,128
Interest on investments	1,778	1,781
	<hr/>	<hr/>
Total revenues	82,274	114,909
	<hr/>	<hr/>
Expenditures		
Current		
Public safety - fire	44,563	36,161
Capital outlays	29,095	-
Debt service		
Principal	20,542	19,381
Interest	8,375	9,548
	<hr/>	<hr/>
Total expenditures	102,575	65,090
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	(20,301)	49,819
Other Financing Sources		
Operating Transfer Out	-	(20,000)
	<hr/>	<hr/>
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Sources	(20,301)	29,819
Fund Balance		
Beginning	117,691	87,872
	<hr/>	<hr/>
Ending	\$ 97,390	\$ 117,691
	<hr/>	<hr/>

VILLAGE OF GROSSE TETE, LOUISIANA

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Volunteer Fire Department Special Revenue Fund**

Years Ended December 31, 2003 and 2002

	2003		2002		Variance Favorable (Unfavorable)	Actual	Budget	Actual	Budget	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual						
Revenues										
Intergovernmental										
Iberville Parish shared revenue	\$ 78,700	\$ 80,496	\$ 1,796	\$ 113,128	\$ 2,728					
Interest on investments	1,800	1,778	(22)	1,781	(219)					
Total Revenues	80,500	82,274	1,774	114,909	2,509					
Expenditures										
Current										
Public safety - fire department										
Insurance	11,700	11,599	101	11,000	5,692					
Maintenance	5,910	5,710	200	3,450	2,356					
Miscellaneous	20,768	14,872	5,896	4,450	8,743					
Professional service	-	6,018	(6,018)	2,000	2,500					
Salaries	3,825	4,177	(352)	3,900	4,458					
Supplies	2,500	(1,037)	3,537	4,500	9,350					
Utilities	1,325	3,224	(1,899)	3,000	3,062					
Total public safety	46,028	44,563	1,465	32,300	36,161					
Capital outlay	22,000	29,095	(7,095)	-	-					
Debt service										
Principal	20,747	20,542	205	19,381	19,381					
Interest	8,375	8,375	-	9,741	9,548					
Total debt service	29,122	28,917	205	29,122	28,929					
Total Expenditures	97,150	102,575	(5,425)	61,422	(3,668)					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,650)	(20,301)	(3,651)	50,978	(1,159)					
Other Financing Sources										
Operating transfer out	-	-	-	(20,000)	(20,000)					
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing (Uses) Sources	(16,650)	(20,301)	(3,651)	30,978	(1,159)					
Fund Balance										
Beginning	117,691	117,691	-	87,872	87,872					
Ending	\$ 101,041	\$ 97,390	\$ (3,651)	\$ 118,850	\$ 117,691					

VILLAGE OF GROSSE TETE, LOUISIANA

Enterprise Fund

December 31, 2003

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 of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

The Utility Fund is used to account for the provision of water and sewer service to the residents of the Village.

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Balance Sheets

December 31, 2003 and 2002

Enterprise Fund

ASSETS	2003	2002
Current Assets		
Cash	\$ 10,772	\$ 9,508
Investments	6,736	6,736
Accounts receivable, net of allowance for uncollectibles; 2003, \$611; 2002, \$812.	9,397	9,428
Prepaid expenses	852	998
Total current assets	<u>27,757</u>	<u>26,670</u>
Plant And Equipment , at cost, net of accumulated depreciation; 2003, \$196,195; 2002, \$178,610.	<u>474,436</u>	<u>463,671</u>
Total Assets	<u>\$ 502,193</u>	<u>\$ 490,341</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities		
Accounts payable	\$ 9,044	\$ 2,375
Due to other funds	80,875	68,798
Total current liabilities	<u>89,919</u>	<u>71,173</u>
Fund Equity		
Contributed capital	504,537	489,537
Accumulated deficit Unreserved	<u>(92,263)</u>	<u>(70,369)</u>
Total fund equity	<u>412,274</u>	<u>419,168</u>
Total Liabilities and Fund Equity	<u>\$ 502,193</u>	<u>\$ 490,341</u>

VILLAGE OF GROSSE TETE, LOUISIANA

General Fixed Assets Account Group

December 31, 2003

VILLAGE OF GROSSE TETE, LOUISIANA

**Comparative Schedule of General Fixed Assets By Source
General Fixed Assets Account Group**

December 31, 2003 and 2002

General Assets, At Cost	2003	2002
Land	\$ 25,968	\$ 25,968
Buildings and improvements	241,029	239,366
Office equipment and furniture	23,589	23,589
Equipment	295,088	259,939
Vehicles	504,312	504,312
Park	22,780	22,780
Water lines and hydrants	8,128	8,128
 Total general assets, at cost	 \$ 1,120,894	 \$ 1,084,082
Investment In General Fixed Assets By Source		
Acquired prior to July 1, 1974*	\$ 70,372	\$ 70,372
Acquired after June 30, 1974 from general fund revenues	1,050,522	1,013,710
 Total investment in general fixed assets by source	 \$ 1,120,894	 \$ 1,084,082

*Records reflecting source from which assets were acquired were not maintained prior to July 1, 1974.

VILLAGE OF GROSSE TETE, LOUISIANA

Other Supplementary Information

December 31, 2003

VILLAGE OF GROSSE TETE, LOUISIANA

Schedule of Insurance in Force Unaudited

December 31, 2003

Insurer	Coverage	Risk	Limits of Coverage	Expiration
Employer's Mutual Casualty Company	Public employees and Police Chief	Dishonesty	\$10,000	9/7/2004
Audubon Indemnity Company	Vehicle fleet	Collision and comprehensive	ACV	10/19/2004
Audubon Insurance Company - Commercial Island Marine	Equipment - tractors & mowers	Collision and physical damage	\$74,533	10/19/2004
Louisiana Farm Bureau Mutual	All Village owned property	Fire and extended coverage	\$188,200	1/24/2004
Louisiana Municipal Association Liability Program	All Village owned property and automobiles	Comprehensive general liability and automobile liability	Combined single limit \$500M	5/2/2004
Louisiana Municipal Association	All employees	Workers' compensation	Statutory	1/1/2004
Louisiana Municipal Association	Law enforcement officers	Comprehensive liability	Combined single limit \$500M	5/2/2004
Louisiana Municipal Association	Public officials	Errors and omissions	Combined single limit \$500M	5/2/2004

VILLAGE OF GROSSE TETE, LOUISIANA

Schedule of Compensation

Year Ended December 31, 2003

Paid to Board Members

Philip Sarullo, Mayor	\$ 13,086
Lawrence David, Alderman	6,000
Juanita J. Hill, Alderwoman	6,000
Michael Chauffe, Alderman	6,000
	<hr/>
	\$ 31,086



CALVIN L. ROBBINS, JR.
CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL CORPORATION)

**INDEPENDENT AUDITOR'S 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 Honorable Mayor and Members
of the Board of Aldermen
Village of Grosse Tete, Louisiana

I have audited the general purpose financial statements of the Village of Grosse Tete, Louisiana, as of and for the year ended December 31, 2003, and have issued my report thereon dated June 22, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

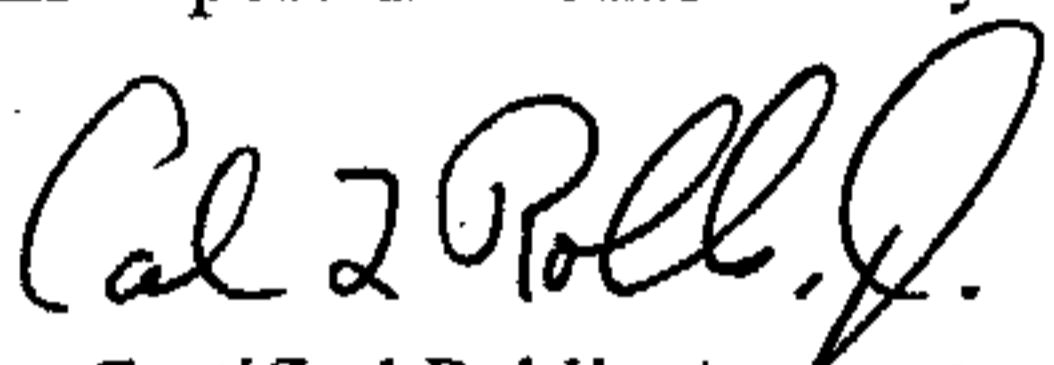
As part of obtaining reasonable assurance about whether the Village of Grosse Tete, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered the Village of Grosse Tete, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Village of Grosse Tete, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described in the accompanying schedule of findings, I consider item 1 to be a material weakness.

This report is intended for the information of the Mayor and Board of Aldermen, management and State of Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.


Certified Public Accountant
(A Professional Corporation)

June 22, 2004
Baton Rouge, Louisiana

VILLAGE OF GROSSE TETE, LOUISIANA

Schedule of Findings

Year Ended December 31, 2003

Finding 1. Separation of duties:

Condition. The Village was not large enough to permit an adequate segregation of employee duties of effective internal accounting control over the cash receipts, disbursements, and financial reporting cycles.

Criteria. The recording of receipts and disbursements under the control of one person represents a failure to segregate incompatible accounting activities.

Effect. The condition is such that errors, either intentional or unintentional, in the processing of receipts and disbursements, could occur and not be detected in a timely manner and in the ordinary course of operations.

Cause. The size of the Village and the limited number of employees did not permit an adequate segregation of incompatible duties.

Recommendation. To the extent that it is practical to do so, Management should segregate employee duties and perform supervisory reviews.

Response. We recognize the problem and we perform supervisory reviews to mitigate the effect, however, based on the size of the Village, there is nothing else that we can do that is cost effective.

VILLAGE OF GROSSE TETE, LOUISIANA

*Independent Auditor's Comments on Resolution of
Prior Audit Findings*

Year Ended December 31, 2003

The matters listed in the Schedule of Findings as Findings 1, is a repeat of prior year's findings.