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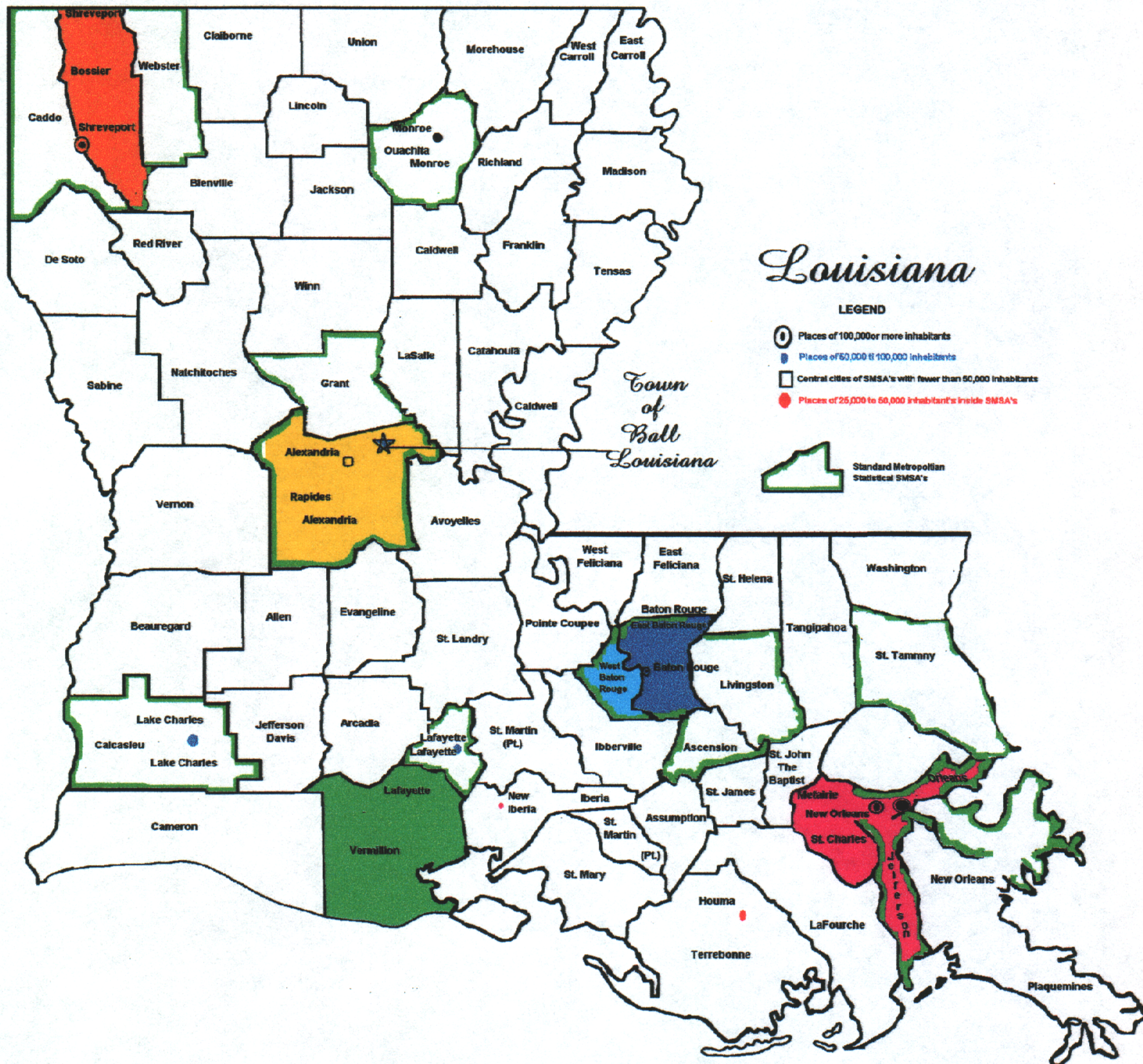
**TOWN OF BALL, LOUISIANA
GENERAL PURPOSE
FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2003**

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

Release Date 7-21-04

TOWN OF BALL, LOUISIANA



* The Town of Ball was incorporated May 31, 1972, under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government. The accounting and reporting practices of the Town of Ball conform to generally accepted accounting principles as applicable to governmental units.

TOWN OF BALL

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INDEPENDENT AUDITOR'S REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS

The Honorable Roy Hebron, Mayor
and Members of the Board of Aldermen
Ball, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Ball, Louisiana as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Ball, Louisiana, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that I 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 principals 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 Town of Ball, Louisiana, as of and for the year ended December 31, 2003, and the results of its operations and the cash flow of its proprietary and similar agency fund types for the year ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 18, 2004 on my consideration of the Town of Ball'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.

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

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund group, and comparative financial statements, schedules, graphs and supplementary information listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Town of Ball. Such information, except for that portion marked "unaudited" on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements of the Town of Ball, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

May 18, 2004

Jena, Louisiana

John R. Vercher

JOHN R. VERCHER PC

Certified Public Accountant

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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

The Honorable Roy Hebron, Mayor
and Members of the Board of Aldermen
Ball, Louisiana

I have audited the general purpose financial statements of the Town of Ball, Louisiana as of and for the year ended December 31, 2003, and have issued my report thereon dated May 18, 2004. I conducted my audit in accordance with generally accepted auditing standards 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 of America.

Compliance

As part of obtaining reasonable assurance about whether Town of Ball, Louisiana's financial statements are free of material misstatement, I 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 statements 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 test disclosed no instance of noncompliance that are required to be reported under *Government Auditing Standards*, except as shown below and discussed in the "Schedule of Findings and Questioned Costs".

- 2003-C-1 Budgets

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Town of Ball, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

John R. Vercher

Jena, Louisiana
May 18, 2004

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

TOWN OF BALL
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2003

	GOVERNMENTAL FUND TYPES			
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND
ASSETS				
Cash	\$ 51,978	\$ 63,024	\$ -0-	\$ 16,467
Investments	62,950	32,244	-0-	-0-
Receivables (Note 3)	85,962	7,105	21,119	178,956
Due From Other Funds	95,356	-0-	91,124	77,763
Land & Buildings (Note 4)	-0-	-0-	-0-	-0-
Vehicles & Equipment (Note 4)	-0-	-0-	-0-	-0-
Amount Available In Debt Service For Debt Retirement	-0-	-0-	-0-	-0-
Amount To Be Provided For Retirement Of General Long-Term Debt	-0-	-0-	-0-	-0-
Restricted Assets:				
Utility Sinking Fund Cash	-0-	-0-	-0-	-0-
Utility Reserve Fund Cash	-0-	-0-	-0-	-0-
Utility Depreciation Fund Cash	-0-	-0-	-0-	-0-
Customer Deposits	-0-	-0-	-0-	-0-
Plant & Equipment (Note 8)	-0-	-0-	-0-	-0-
TOTAL ASSETS	\$ 296,246	\$ 102,373	\$ 112,243	\$ 273,186
LIABILITIES, CONTRIBUTIONS, & FUND BALANCE/RETAINED EARNINGS				
Accounts Payable	\$ 35,214	\$ 7,889	\$ -0-	\$ 178,956
Due To Other Funds	-0-	-0-	35,228	-0-
Payable From Restricted Assets	-0-	-0-	-0-	-0-
Bonds, Notes & Other Debt	-0-	-0-	-0-	-0-
Accrued Absences (Note 6)	-0-	-0-	-0-	-0-
TOTAL LIABILITIES	\$ 35,214	\$ 7,889	\$ 35,228	\$ 178,956
Fund Equities:				
Retained Earnings	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Reserved	-0-	-0-	-0-	-0-
Unreserved	-0-	-0-	-0-	-0-
Total Retained Earnings	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Investment in General Fixed Assets	-0-	-0-	-0-	-0-
Contributed Capital (Note 9)	-0-	-0-	-0-	-0-
Fund Balance	261,032	94,484	77,015	94,230
TOTAL FUND EQUITY	\$ 261,032	\$ 94,484	\$ 77,015	\$ 94,230
TOTAL LIABILITY & FUND EQUITY	\$ 296,246	\$ 102,373	\$ 112,243	\$ 273,186

The notes to the financial statements are an integral part of this statement.

ENTERPRISE FUND	AGENCY FUND	ACCOUNTS GROUPS		TOTAL (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
\$ 35,883	\$ 216,952	\$ -0-	\$ -0-	\$ 384,304
-0-	-0-	-0-	-0-	95,194
60,665	-0-	-0-	-0-	353,807
26,540	-0-	-0-	-0-	290,783
-0-	-0-	712,396	-0-	712,396
-0-	-0-			
		1,526,630	-0-	1,526,630
-0-	-0-	-0-	42,547	42,547
-0-	-0-	-0-	549,141	549,141
150,882	-0-	-0-	-0-	150,882
61,061	-0-	-0-	-0-	61,061
61,174	-0-	-0-	-0-	61,174
27,157	-0-	-0-	-0-	27,157
6,381,840	-0-	-0-	-0-	6,381,840
<u>\$ 6,805,202</u>	<u>\$ 216,952</u>	<u>\$ 2,239,026</u>	<u>\$ 591,688</u>	<u>\$ 10,636,916</u>
\$ 23,816	\$ 3,932	\$ -0-	\$ -0-	\$ 249,807
-0-	213,020	-0-	-0-	248,248
87,884	-0-	-0-	-0-	87,884
772,817	-0-	-0-	579,008	1,351,825
-0-	-0-	-0-	12,680	12,680
<u>\$ 884,517</u>	<u>\$ 216,952</u>	<u>\$ -0-</u>	<u>\$ 591,688</u>	<u>\$ 1,950,444</u>
\$ 154,332	\$ -0-	\$ -0-	\$ -0-	\$ 154,332
61,174	-0-	-0-	-0-	61,174
(3,343,951)	-0-	-0-	-0-	(3,343,951)
<u>\$ (3,128,445)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (3,128,445)</u>
-0-	-0-	2,239,026	-0-	2,239,026
9,049,130	-0-	-0-	-0-	9,049,130
-0-	-0-	-0-	-0-	526,761
<u>5,920,685</u>	<u>-0-</u>	<u>2,239,026</u>	<u>-0-</u>	<u>8,686,472</u>
<u>\$ 6,805,202</u>	<u>\$ 216,952</u>	<u>\$ 2,239,026</u>	<u>\$ 591,688</u>	<u>\$ 10,636,916</u>

TOWN OF BALL, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL TYPES

For the year ended December 31, 2003

	GOVERNMENTAL FUND TYPES				
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
Revenues:					
Sales Tax	\$ 316,530	\$ 91,659	\$ -0-	\$ -0-	\$ 408,189
Ad Valorem Tax (Note 2)	51,098	-0-	62,426	-0-	113,524
Ward 10 Maintenance	85,890	-0-	-0-	-0-	85,890
Franchise Fee	154,172	-0-	-0-	-0-	154,172
Building Permits	6,677	-0-	-0-	-0-	6,677
Traffic Fines	145,881	-0-	-0-	-0-	145,881
Collection Commissions	1,392	-0-	-0-	-0-	1,392
Interest Income	1,380	913	-0-	433	2,726
Miscellaneous	8,116	14,005	-0-	-0-	22,121
Occupational Licenses	68,681	-0-	-0-	-0-	68,681
Copy Fees	512	-0-	-0-	-0-	512
Flood Letters	5,014	-0-	-0-	-0-	5,014
Income – Community Center	5,400	-0-	-0-	-0-	5,400
State Maintenance Contract	12,392	-0-	-0-	-0-	12,392
Grant	4,007	-0-	-0-	527,710	531,717
Disaster Reimbursement	14,001	-0-	-0-	-0-	14,001
Total Revenues	\$ 881,143	\$ 106,577	\$ 62,426	\$ 528,143	\$ 1,578,289
Expenditures:					
General & Administration	\$ 255,384	\$ -0-	\$ -0-	\$ -0-	\$ 255,384
Police Department	221,962	-0-	-0-	-0-	221,962
Street Department	275,388	-0-	-0-	-0-	275,388
Fire Department	-0-	94,545	-0-	-0-	94,545
Principal Retirement (Note 5)	-0-	-0-	16,312	-0-	16,312
Interest Expense	-0-	-0-	26,246	-0-	26,246
Related Expense	-0-	-0-	3,821	-0-	3,821
Public Works	-0-	-0-	-0-	532,435	532,435
Administration	-0-	-0-	-0-	-0-	-0-
Total Expenditures	\$ 752,734	\$ 94,545	\$ 46,379	\$ 532,435	\$ 1,426,093
Excess of Revenues Over (Under)					
Expenditures Before Other Financing					
Sources (Uses)	\$ 128,409	\$ 12,032	\$ 16,047	\$ (4,292)	\$ 152,196
Other Financing Sources (Uses)	9,700	(3000)	-0-	20,000	26,700
Excess of Revenue Over (Under)					
Expenditures After Other Financing					
Sources (Uses)	\$ 138,109	\$ 9,032	\$ 16,047	\$ 15,708	\$ 178,896
Fund Balance – January 1	122,923	85,452	60,968	78,522	347,865
Fund Balance – December 31	\$ 261,032	\$ 94,484	\$ 77,015	\$ 94,230	\$ 526,761

The notes to the financial statements are an integral part of this statement.

TOWN OF BALL, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES

For the year ended December 31, 2003

	GENERAL FUND		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Sales Tax	\$ 294,033	\$ 316,530	\$ 22,497
Ad Valorem Tax (Note 2)	10,000	51,098	41,098
Ward 10 Maintenance	45,889	85,890	40,001
Franchise Fee	118,641	154,172	35,531
Building Permits	10,973	6,677	(4,296)
Traffic Fines	148,604	145,881	(2,723)
Collection Commissions	1,392	1,392	-0-
Interest Income	2,238	1,380	(858)
Miscellaneous	28,303	8,116	(20,187)
Occupational Licenses	63,606	68,681	5,075
Copy Fees	-0-	512	512
Flood Letters	1,106	5,014	3,908
Income – Community Center	7,350	5,400	(1,950)
State Maintenance Contract	12,392	12,392	-0-
Grant	44,007	4,007	(40,000)
Disaster Reimbursement	-0-	14,001	14,001
Total Revenue	\$ 788,534	\$ 881,143	\$ 92,609
Expenditures:			
General & Administration	\$ 259,193	\$ 255,384	\$ 3,809
Police Department	227,800	221,962	5,838
Street Department	317,876	275,388	42,488
Fire Department	-0-	-0-	-0-
Public Works	-0-	-0-	-0-
Administration	-0-	-0-	-0-
Acquisition	-0-	-0-	-0-
Total Expenditures	\$ 804,869	\$ 752,734	\$ 52,135
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	\$ (16,335)	\$ 128,409	\$ 103,309
Other Financing Sources (Uses)			
Transfers	\$ -0-	\$ 9,700	\$ 9,700
Total Other Financing Sources (Uses)	\$ -0-	\$ 9,700	\$ 9,700
Excess of Revenue Over (Under) Expenditures After Other Financing Sources (Uses)	\$ (16,335)	\$ 138,109	\$ 154,444
Fund Balance – January 1	-0-	122,923	122,923
Fund Balance – December 31	\$ (16,335)	\$ 261,032	\$ 277,367

The notes to the financial statements are an integral part of this statement.

Special Revenue Fund			
Budget		Actual	Variance Favorable (Unfavorable)
\$	75,000	\$ 91,659	\$ 16,659
	-0-	-0-	-0-
	-0-	-0-	-0-
	-0-	-0-	-0-
	-0-	-0-	-0-
	-0-	-0-	-0-
	-0-	-0-	-0-
	700	913	213
	12,678	14,005	1,327
	-0-	-0-	-0-
	-0-	-0-	-0-
	-0-	-0-	-0-
	-0-	-0-	-0-
	-0-	-0-	-0-
	-0-	-0-	-0-
	-0-	-0-	-0-
\$	88,378	\$ 106,577	\$ 18,199
\$	-0-	\$ -0-	\$ -0-
	-0-	-0-	-0-
	-0-	-0-	-0-
	-0-	-0-	-0-
	88,378	94,545	(6,167)
	-0-	-0-	-0-
	-0-	-0-	-0-
	-0-	-0-	-0-
\$	88,378	\$ 94,545	\$ (6,167)
\$	-0-	\$ 12,032	\$ 12,032
\$	-0-	\$ (3,000)	\$ (3,000)
\$	-0-	\$ (3,000)	\$ (3,000)
\$	-0-	\$ 9,032	\$ 9,032
	-0-	85,452	85,452
\$	-0-	\$ 94,484	\$ 94,484

TOWN OF BALL, LOUISIANA
COMBINED STATEMENT OF REVENUES AND EXPENSES
ALL PROPRIETARY FUND TYPES
ENTERPRISE FUNDS

For the year ended December 31, 2003

Operating Revenues:	
Utility Revenues	\$ 569,598
Inspection Fees	400
Tap Fees	9,950
Wastewater Dump Fees	10,748
Ad Valorem Tax	46,502
Miscellaneous	3,210
Disaster Reimbursement	15,585
	<hr/>
Total Operating Revenues	\$ 655,993
Operating Expenses:	
Salaries & Labor	\$ 218,771
Office Supplies & Expense	15,244
Repair & Maintenance	89,815
Fuel Expense	25,298
Utilities	69,795
Insurance	8,843
Professional Fees	12,797
Miscellaneous Operating Expense	6,121
Dump Fees	47,384
Depreciation Expense	272,961
	<hr/>
Total Operating Expenses	\$ 767,029
Operating Income (Loss)	\$ (111,036)
Non Operating Revenues (Expenses)	
Interest Income	\$ 3,666
Interest Expense	(42,224)
	<hr/>
Total Non Operating Revenues (Expenses)	\$ (38,558)
Net Loss Before Operating Transfers	\$ (149,594)
Operating Transfers In (Out)	(26,700)
	<hr/>
Net Loss	\$ (176,294)
Retained Earnings (Deficit) January 1	(2,952,151)
	<hr/>
Retained Earnings (Deficit) December 31	\$ (3,128,445)
Contributed Capital Beginning	\$ 8,969,536
Additions from Capital Projects	79,594
Contributed Capital Ending	\$ 9,049,130

The notes to the financial statements are an integral part of this statement.

TOWN OF BALL, LOUISIANA
ALL PROPRIETARY FUND TYPES
ENTERPRISE FUNDS
COMBINED STATEMENT OF CASH FLOW

For the year ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss)	\$ (176,294)
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	272,961
(Increase) Decrease In:	
Trade Account Receivable	(2,408)
Due From Other Funds	(17,691)
Increase (Decrease) in:	
Trade Accounts Payable	35,175
Accrued Liabilities	(1,403)
	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 110,340
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Restricted Funds	\$ (7,016)
	<hr/>
NET CASH USED BY INVESTING ACTIVITIES	\$ (7,016)
	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES	
Debt Reduction	
Long-Term	\$ (40,437)
Fixed Assets	(39,455)
Customer Deposits	1,482
	<hr/>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	\$ (78,410)
	<hr/>
NET INCREASE (DECREASE) IN CASH	\$ 24,914
CASH AT BEGINNING OF YEAR	10,969
	<hr/>
CASH AT END OF YEAR	\$ 35,883
	<hr/>
SUPPLEMENTAL DISCLOSURES	
Interest Paid	\$ 43,352
	<hr/>

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Ball was incorporated May 31, 1972, under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting practices of the Town of Ball conform to generally accepted accounting principles as applicable to governmental units.

Such accounting and reporting procedures also conform to the requirements of Louisiana revised statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.

The Ball Volunteer Fire Department is considered a component unit of the Town of Ball, Louisiana. The transactions of the department are reported in a special revenue "fire" fund (blended format). Debts owed by the department are presented in the general long-term debt account group and department assets are presented in the general fixed asset account group.

The Town applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The following is a description of certain significant policies and practices:

Fund Accounting

The accounts of the Town of Ball are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic types and two broad fund categories as follows:

GOVERNMENTAL FUNDS

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

Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes.

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

Capital Projects Funds - Capital projects funds are used to account for the purchase or construction of major capital facilities which are not financed by proprietary funds.

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont.)

Fund Accounting (Continued)

FIDUCIARY FUNDS

Trust and Agency Fund - The Agency Fund is used as depository for collection of ad valorem taxes. Disbursements from the fund are made to the general fund, sewer fund and the debt service funds based on the millage rate for a particular year. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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.

Fixed Assets and Long-Term Liabilities

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

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

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

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

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Additions made from 1987 to 2003 in the amount of \$800,584 were estimated which represents 38% of general fixed assets.

Basis of Accounting

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Cont.)

Basis of Accounting – (Cont.)

reported as expenditures in the year due.

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

Component Units

The Ball Volunteer Fire Department's board is composed of 7 commissioners, one being the mayor of the town and the remaining commissioners appointed by the mayor and approved by the board of aldermen. The department is thus considered a component unit of the town and the transactions of the Ball Volunteer Fire Department are presented (or blended) in the financial statements as a special revenue fund. The commissioners, their terms of office and salary are as follows:

<u>Name</u>	<u>Term of Office</u>	<u>Address</u>	<u>Salary</u>
Roy Hebron	Continuous	5816 Clines Rd., Pineville, La. 71360	\$ -0-
Willie Bishop	Continuous	PO Box 800, Ball, La. 71405	-0-
Walt Chance	Continuous	PO Box 800, Ball, La. 71405	-0-
Wade Kilgo	Continuous	PO Box 800, Ball, La. 71405	-0-
Herb Pruett	Continuous	PO Box 800, Ball, La. 71405	-0-
Roland Davis	Continuous	PO Box 800, Ball, La. 71405	-0-
Larry Wolley	Continuous	PO Box 800, Ball, La. 71405	-0-

Total Column on Combined Statements - Overview

Total column on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in this column does 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 eliminations have not been made in the aggregation of this data.

2. TAXES

A. AD VALOREM TAXES

For the year ended December 31, 2003, 17.10 mills were levied on property with assessed valuations totaling \$7,243,553 and were dedicated as follows:

General Corporate Purposes	5.48 mills
Debt Service	3.13 mills
Sewer Revenue Bonds	5.00 mills
Debt Service	3.50 mills
	<hr/>
Total	17.11 mills

Total taxes levied after exemptions were \$159,534. Property taxes attach as an enforceable lien on property as of January 1. The Town of Ball bills and collects its own property taxes which are payable on December 31. Property tax revenues are recognized as revenues in the year in which they are levied.

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

B. SALES TAXES

The Town has a 1 1/2-cent sales tax dedicated as follows:

Police	1/3 cent
Streets	2/3 cent
Fire Department	1/2 cent

3. RECEIVABLES

A summary of receivables by fund at December 31, 2003 are as follows:

	Capital Projects	Special Revenue	General Fund	Debt Service Fund	Sanitation Fund	Sewer Fund
Sales Tax Receivable	\$ -0-	\$ -0-	\$ 22,931	\$ -0-	\$ -0-	\$ -0-
Other Taxes Receivable	-0-	-0-	45,574	-0-	21,642	25,450
Ad Valorem Taxes Receivable	-0-	7,104	17,457	9,971	-0-	15,927
Allowance for Bad Debts	-0-	-0-	-0-	-0-	(1,082)	(1,272)
Grants Receivable	178,956					
Total Receivables	\$ 178,956	\$ 7,104	\$ 85,962	\$ 9,971	\$ 20,560	\$ 40,105

The allowance for bad debts for the sewer and sanitation fund has been established at 5% of total accounts receivable. The allowance for bad debts for the general fund, special revenue fund and debt service fund was determined to be immaterial and, therefore, is not presented.

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Land & Buildings	Vehicle & Equipment	Total
Balance December 31, 2002	\$ 692,396	\$ 1,043,153	\$ 1,735,549
Additions	20,000	483,477	503,477
Deletions	-0-	-0-	-0-
Balance December 31, 2003	\$ 712,396	\$ 1,526,630	\$ 2,239,026

5. CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Town for the year ended December 31, 2003:

	Premier Bank Sewer Fund	92-02 Sewer Fund	Sewer District # 1	Sewer Fund	1997 Sewer Improv.	Total
Bonds Pay. 12/31/2002	\$ 169,737	\$ 586,307	\$ 113,834	\$ 113,834	\$ 260,000	\$ 1,243,712
Additions	-0-	-0-	-0-	-0-	-0-	-0-
Bonds Retired	(9,777)	(16,157)	(3,156)	(3,156)	(10,000)	(42,246)
Bonds Pay. 12/31/2003	\$ 159,960	\$ 570,150	\$ 110,678	\$ 110,678	\$ 250,000	\$ 1,201,466

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

5. CHANGES IN LONG-TERM DEBT - (Cont.)

The following is a summary of notes and other debt transactions of the Town for the year ended December 31, 2003:

	Notes & Debts Payable At 12/31/2002	New Debt	Principal Paid	Notes & Debts Payable At 12/31/2003
John Deer Tractor – Bank One	\$ 8,852	\$ -0-	\$ 6,574	\$ 2,278
2002 International Garbage Truck	62,569	-0-	14,503	48,066
John Deer Tractor – Street	18,790	-0-	7,239	11,551
'2003' F-250 Ford Truck – Sewer	-0-	24,806	4,231	20,575
Hibernia National Bank Vehicle Lease – Police	10,845	-0-	5,208	5,637
2002 F*250 Ford Crew Cab Truck – Street	13,453	-0-	6,292	7,161
Firetruck FMHA Note (New)	58,916	-0-	15,416	43,500
Southern Heritage Bank Police Note	17,640	-0-	5,026	12,614
Lease Purchase – Hibernia	9,268	-0-	4,930	4,338
2000 F-250 White Crew Cab - Street	5,298	-0-	5,928	-0-
Accrued Compensated Absences	24,017	-0-	11,337	12,680

Bonds payable at December 31, 2003 are comprised of the following:

General obligation bonds administered by the debt service fund:

Two 1983 issues of \$150,000 each due in annual installments of \$8,894 for each issue with the last payment due March 9, 2023; interest at 5% per annum.

\$ 221,357

An issue of \$310,000, due in annual installments of \$29,825 increasing to \$30,975 with the last payment due March 1, 2016; interest at 10% per annum.

250,000

Revenue bonds administered by the sewer enterprise fund:

\$228,000 sewer revenue bonds due in annual installments of \$20,802 to a maturity date of March 9, 2023; interest at 5% per annum.

159,960

\$771,000 sewer revenue bonds due in annual installments of \$45,713 to a maturity date of March 9, 2023; interest at 5% per annum.

570,151

Notes and other debts payable administered by the general fund, fire fund, and sanitation fund:

Ford Motor Credit purchase (F-250 Crew Cab) in the amount of \$24,806 payable in monthly installments of \$502 beginning October 31, 2003 and ending September 30, 2007 interest at 5%

20,575

Southern Heritage Bank lease in the amount of \$20,864 payable in monthly installments of \$473.43 beginning May 27, 2002 and ending April 27, 2006; interest at 4.25%.

12,614

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

5. CHANGES IN LONG-TERM DEBT - (Cont.)

Bank One street departments lease in the amount of \$35,000 payable in monthly installments of \$575.93 beginning May 1, 2000 and ending April 1, 2004; interest at 5.75%.	2,278
Hibernia Bank vehicle lease purchase in the amount of \$19,000 payable in monthly installments of \$446 beginning October 2000 and ending October 2004; interest at 5.9%	4,338
Farmers Home Administration fire truck note in the amount of \$140,000 payable in monthly installments of \$1,521 beginning July 24, 1997 and ending July 24, 2006; interest at 5.5%.	43,500
Red River Bank sanitation garbage truck note in the amount of \$76,373 payable in monthly installments of \$1,439 beginning January 2002 and ending December 2006; interest at 4.95%	48,066
Southern Heritage Bank Street Lease for a John Deere Tractor/Loader in the amount of \$29,000 payable in monthly installments of \$667 beginning July 7, 2002 and ending June 7, 2005; interest at 4.95%	11,551
Hibernia National Bank – Police 2002 Crown Victoria lease in the amount of \$20,353 payable in monthly installments of \$477 beginning January 2002 and ending December 2004; interest at 5.93%.	5,637
Red River Bank – Street 2002 F-250 Ford Crew Cab lease in the amount of \$18,964 payable in 36 monthly installments of \$566 beginning February 2002 and ending January 2005; interest at 4.75%.	7,161
Mayor Roy Hebron accrued compensated absences (see note 6)	12,680
Total	<u>\$ 1,369,868</u>

Debt service requirements including interest of Town in five year increments:

	Accrued Vacation	Bonds	Notes	Total
2004	\$ 12,680	\$ 115,065	\$ 74,522	\$ 202,267
2005	-0-	114,091	55,806	169,897
2006	-0-	113,115	35,841	148,956
2007	-0-	112,141	4,519	116,660
2008	-0-	111,165	-0-	111,165
2009-2013	-0-	558,603	-0-	558,603
2014-2019	-0-	395,457	-0-	395,457
2020-2023	-0-	254,004	-0-	254,004
Total	<u>\$ 12,680</u>	<u>\$ 1,773,641</u>	<u>\$ 170,688</u>	<u>\$ 1,957,009</u>

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

6. ACCRUED COMPENSATED ABSENCES

On March 21, 2000 the Town adopted ordinance #148/2000 that states the accumulation of leave and/or any other type compensatory time shall not be allowed by any Town employee for any time period, and in no event shall the Town be liable for payment of compensatory or leave time to any employee, who, upon separation from employment has any credited leave for compensatory time which has not been utilized during the applicable time period. The accrued compensated absence below was incurred before the addition of ordinance #148/2000. As of December 31, 2003 the Town owes a balance of \$12,680 to Mayor Hebron for accumulated vacation.

7. FLOW OF FUNDS; RESTRICTIONS ON USE - ENTERPRISE FUNDS

Sewer System Revenues

Under the terms of the bond indenture on outstanding sewer revenue bonds dated March 9, 1983 and March 9, 1995, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Sewer System are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

Out of the revenue, there shall be set aside into a "Sewer Plant and System Revenue Fund" amounts sufficient to provide for the payment of reasonable and necessary expenses of operating and maintaining the system.

Each month there will be set aside into a "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/12 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments. There shall also be set aside into a "Sewer Revenue Bond Reserve Fund" an amount equal to 5% of the amounts paid to the Revenue Fund until such time as there has accumulated in the reserve account an amount equal to the highest combined principal and interest requirement in any succeeding fiscal year on the outstanding principal amount of the bond. Such amounts may be used only for the payment of maturing bonds and interest coupons, in the event that sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a "Depreciation and Contingency Fund" in the amount of \$285 per month. Money in this fund may be used for making extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operating expense. Money in this fund may also be used to pay principal and interest on the bonds falling due any time there is not sufficient money for payment in the other bond funds.

Funds set aside in the construction accounts are restricted to approved construction activity of the Town's sewer system.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above notes funds shall be regarded as surplus and may be used for any lawful corporate purpose.

Reservations of retained earnings have been made for funds in restricted accounts that exceed current interest and principal requirements.

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

8. PLANT AND EQUIPMENT - SEWER AND SANITATION FUNDS

The following schedules summarize original cost, accumulated depreciation and estimated depreciation rates of plant and equipment of the sewer fund as of December 31, 2003:

<u>Sewer Fund:</u>					
<u>Date Acquired</u>	<u>Cost</u>	<u>Straight Line</u>	<u>Prior</u>	<u>Depreciation Expense 12/31/2003</u>	<u>Current Book Value</u>
Sewer System 1985	\$ 6,960,694	40	\$ 2,862,585	\$ 174,017	\$ 3,924,092
Additions to Sewer System Var.	3,016,748	Various	703,933	75,523	2,237,292
Work In Progress	79,594		-0-	-0-	79,594
Sub-Total	\$ 10,057,036		\$ 3,566,518	\$ 249,540	\$ 6,236,978
 <u>Sanitation:</u>					
Equipment Various	\$ 108,015	5	\$ 65,538	\$ 4,603	\$ 37,874
Total	\$ 10,165,051		\$ 3,632,056	\$ 254,143	\$ 6,274,852

9. CONTRIBUTED CAPITAL

Contributed capital consists of grants from the federal government as well as proceeds from the sale of general obligation bonds for the construction of the sewer system.

Balance 12-31-2002	\$ 8,969,536
Additions	79,594
Balance 12/31/2003	<u>\$ 9,049,130</u>

10. CASH AND INVESTMENTS (C.D.'s IN EXCESS OF 90 DAYS):

Deposits

It is the Town's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at year end. The categories are described as follows:

- *Category 1* – Insured or collateralized with securities held by the Town or by its agent in the Town's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.
- *Category 3* - Uncollateralized.

<u>Bank</u>	<u>Bank Balance At 12/31/2003</u>
Hibernia National Bank	\$ 338,544
Bank One	36,176
Red River Bank	322,767
Southern Heritage Bank	111,717
Total	\$ 809,204

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

10. CASH AND INVESTMENTS (C.D.'s IN EXCESS OF 90 DAYS) - (CONT.)

Amounts on deposit are secured by the following pledges:

Description	Southern Heritage Bank Market Value	Bank One Market Value	Red River Bank Market Value	Hibernia Bank Market Value
FDIC (Category 1)	\$ 100,000	\$ 36,176	\$ 100,000	\$ 100,000
Securities (Category 2)	48,986	-0-	401,283	392,430
Total	\$ 148,986	\$ 36,176	\$ 501,283	\$ 492,430

11. USE OF ESTIMATES

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

12. ENCUMBRANCES

The Town does not utilize encumbrance accounting.

13. BUDGETS AND BUDGETARY ACCOUNTING

A.) The Town follows these procedures in establishing the budgetary data in these financial statements:

1. The town clerk prepares a proposed budget for the General and Fire Funds and submits same to the Mayor and Board of Aldermen prior to the beginning of each year.
2. A summary of the proposed budget is published and a public hearing is held.
3. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the year for which the budget is being adopted.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. The budgets were amended for the year ended December 31, 2003.

B.) Capital project budgets are prepared on a "Project Wide" basis which may extend beyond one year. The budgets in these statements are the total project budget or remaining budgeted amounts.

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

14. INTERFUND RECEIVABLES AND PAYABLES:

	2003	
	Interfund Receivables	Interfund Payables
General Fund	\$ 95,356	\$ -0-
Debt Service Funds	91,124	35,228
Ad Valorem Tax Agency Fund	-0-	213,020
Sewer Fund	26,540	-0-
Sewer Tax Millage	35,228	-0-
Total	\$ 248,248	\$ 248,248

15. ELECTED OFFICIALS SALARIES:

Name	Date of Service	Position	Annual Salary
Roy Hebron	1/01/2003 – 12/31/2003	Mayor	\$ 39,386
Spencer Williams	1/01/2003 – 12/31/2003	Police Chief	26,595
Willie Bishop	1/01/2003 – 12/31/2003	Alderman	1,275
Curtis Robertson	1/01/2003 – 12/31/2003	Alderman	1,275
Brian Adams	1/01/2003 – 12/31/2003	Alderman	1,275
Jerry Giddings	1/01/2003 – 12/31/2003	Alderman	1,275
Larry Wolley	1/01/2003 – 12/31/2003	Alderman	1,275

16. RETIREMENT SYSTEMS:

Substantially all employees of the Town of Ball, Louisiana, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighter's Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A: Municipal Employees Retirement System of Louisiana (System)

Plan Description. 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) (Plan B)]. [or some employees of the municipality are members of Plan A and some are members of Plan B.]

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 for life, equal to 3 percent of their final-average salary for each year of creditable service. [Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$100 for each year of creditable service.]

Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. Final-average salary

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

16. RETIREMENT SYSTEMS: - (Cont.)

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.

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 (504) 925-4810.

Funding Policy. [Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the Town of Ball is required to contribute at an actuarially determined rate. The current rate is 8.00 percent of annual covered payroll.] [Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of Ball is required to contribute at an actuarially determined rate. The current rate is 3.75 percent of annual covered payroll.] Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Ball are 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 of Ball contributions to the System under Plan A for the years ending December 31, 2003, \$29,611 equal to the required contributions for each year.]

Retirement Buy Back. The Town of Ball is a participating employer as of December 31, 2001 in the municipal Employees' Retirement System. All previously accrued service credit is in Plan B. In accordance with R.S. 11:733 and R.S. 11:1734 the Town of Ball is authorized to submit for board approval a request to amend the membership agreement in order to convert Plan B service credit into Plan A service credit within the Municipal Employees' Retirement System.

If the annuity savings accounts of the members are not increased to the balances based on Plan A contributions rates, the cost of the change in service is reduced. However, at termination of employment the refundable contributions balance will be based on actual contributions received for the period prior to January 1, 2002. Regardless of the selection made at the time of the merger, all future employee contributions are refundable upon termination of a member prior to retirement (unless benefits are payable under disability or survivor provisions of the plan). Financial values are calculated as of December 31, 2001. The adjustment for payment after December 31, 2001, includes interest accrued after that date. Calculations are valid through May 31, 2002 provided there is no change in the census.

The cost of funding the conversion of service from Plan B to Plan A depends on two sets of calculations. The first of these is the additional accrued employer and employee contributions the members would have paid had they been in Plan A from the initial date of the credited service. These contributions together with accrued interest at the plan's valuation interest rate (8%) is summed for each employee in the group. The result of this calculation is \$163,596. The second calculation involves a determination of the additional accrued liability to

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

16. RETIREMENT SYSTEMS: - (Cont.)

the retirement system due to the conversion of Plan B service credit to Plan A credit. The result of this calculation is \$167,360. In order to effect the conversion MERS must receive the greater of the two; this amount is \$167,360 as of December 31, 2001. A reduction in costs may be achieved by not increasing employee account balances to levels that would have occurred had these employees contributed to MERS Plan A instead of Plan B. The reduction in costs is \$5,896. In order to effect the conversion between December 31, 2001 and April 30, 2002, MERS must receive \$167,360 (\$161,464 if no additional employee contributions are credit to the members' annuity savings fund accounts) plus interest of \$36.68 (\$35.39 if no additional employee contributions are credited to the members' annuity savings fund accounts) per day for each day after December 31, 2001, until receipt of funds by the system. In addition, all payments of employee and employer contributions subsequent to December 31, 2001 must be made based on the employee and employer contribution rates in effect for Plan A of the Municipal Employees' Retirement System.

B: Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required 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 1/3 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 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.

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, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Ball is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirement of plan members and the Town of Ball are 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 of Ball contributions to the System for the year ending December 31, 2003 was \$10,235 equal to the required contributions for each year.

17. AGENCY FUND

The Agency Fund is used to collect ad valorem taxes assessed by the Town. Below is a summary of transaction activity in the fund during the year:

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

17. AGENCY FUND - (CONT.)

	Payroll Agency Fund	Ad Valorem Tax Agency Fund
Cash Balance 12-31-2002	\$ 24	\$ 139,504
Deposits	108,738	149,555
Expenses Related To Tax Collections	-0-	(9,860)
Transfers To General Fund	-0-	(560)
Transfers to Sewer Fund & Debt Service	-0-	(65,619)
Payroll Taxes	(104,830)	-0-
Cash Balance 12/31/2003	<u>\$ 3,932</u>	<u>\$ 213,020</u>

18. SEWER FUND RETAINED EARNINGS DEFICIT

The deficit in sewer fund retained earnings of \$(3,223,075) is due primarily to depreciation taken on that portion of the sewer plant construction with grant and other contributed funds.

19. Contingencies

The Town of Ball is involved by the way of third party intervention in Civil Suit Number 198,375, Division "G" entitled "Rapides Parish Police Jury vs. Grant Parish Police Jury".

A. Nature of Litigation:

The dispute referenced herein above was instituted by a claim made by Grant Parish that the parish boundary line as currently recognized is not accurate. Grant claims that the parish boundary line should be located significantly farther south than the current location. The Grant Parish Police Jury hired a surveyor to conduct a survey based upon a legislative act in 1869 which described the boundary line. This survey places the Grant Parish line well south of the current boundary, and places approximately one-third (1/3) of the Town of Ball in Grant Parish. The Rapides Parish Police Jury responded by hiring a surveyor of their own. That survey places the line further north than the first line but still south of the currently recognized boundary. By unanimous vote of the Board of Aldermen, the Town of Ball opted to intervene in the litigation to defend the integrity of its boundaries. The litigation is significant to the Town of Ball for a number of reasons. The first, the litigation will affect the tax, school and law enforcement base. Furthermore, the Town of Ball was formed in 1972. The legal description of the Town of Ball includes a phrase that the Town's northern border shall only extend as far as the parish boundary. Therefore, moving the boundary line south from where it was located in 1972 may in effect actually shrink the geographical boundaries of the town and have a very significant effect on revenues and population.

B. Progress of the Case to Date:

The District Court has ruled in favor of the Town and the current boundary line. It is not known if Grant Parish will appeal the ruling, but legal council for the Town of Ball assumes the legal process is not complete.

TOWN OF BALL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

19. Contingencies

C. How Management of the Town of Ball is Responding or Intends to Respond to Litigation:

The Town of Ball will vigorously contest the case and assert that the historical boundary, as opposed to the boundary claimed by either Grant or Rapides Parish, should be maintained. The Town of Ball does not have financial exposure in the traditional sense that a monetary judgment could be rendered against it. However, fees and expenses may well accelerate as continued legal actions are taken.

20. Expenditures in Excess of Appropriations

The Fire Department Special Revenue Fund overspent its budget by \$6,167 or 7% during the year because of higher than expected expenditures.

GENERAL FUND

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

**TOWN OF BALL, LOUISIANA
GENERAL FUND
BALANCE SHEET**

For the Year Ended December 31, 2003

ASSETS

Cash	\$ 51,978
Investments	62,950
Receivables	85,962
Due From Other Funds	<u>95,356</u>
TOTAL ASSETS	<u>\$ 296,246</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	<u>\$ 35,214</u>
TOTAL LIABILITIES	<u>\$ 35,214</u>
Fund Balance	<u>261,032</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 296,246</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BALL, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2003

	GENERAL FUND		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Sales Tax	\$ 294,033	\$ 316,530	\$ 22,497
Ad Valorem Tax (Note 2)	10,000	51,098	41,098
Ward 10 Maintenance	45,889	85,890	40,001
Franchise Fee	118,641	154,172	35,531
Building Permits	10,973	6,677	(4,296)
Traffic Fines	148,604	145,881	(2,723)
Collection Commissions	1,392	1,392	-0-
Interest Income	2,238	1,380	(858)
Miscellaneous	28,303	8,116	(20,187)
Occupational Licenses	63,606	68,681	5,075
Copy Fees	-0-	512	512
Flood Letters	1,106	5,014	3,908
Income – Community Center	7,350	5,400	(1,950)
State Maintenance Contract	12,392	12,392	-0-
Grant	44,007	4,007	(40,000)
Disaster Reimbursement	-0-	14,001	14,001
Total Revenue	\$ 788,534	\$ 881,143	\$ 92,609
Expenditures:			
General & Administration	\$ 259,193	\$ 255,384	\$ 3,809
Police Department	227,800	221,962	5,838
Street Department	317,876	275,388	42,488
Fire Department	-0-	-0-	-0-
Public Works	-0-	-0-	-0-
Administration	-0-	-0-	-0-
Acquisition	-0-	-0-	-0-
Total Expenditures	\$ 804,869	\$ 752,734	\$ 52,135
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	\$ (16,335)	\$ 128,409	\$ 103,309
Other Financing Sources (Uses)			
Loans	\$ -0-	\$ 9,700	\$ 9,700
Total Other Financing Sources (Uses)	\$ -0-	\$ 9,700	\$ 9,700
Excess of Revenue Over (Under) Expenditures After Other Financing Sources (Uses)	\$ (16,335)	\$ 138,109	\$ 154,444
Fund Balance – January 1	-0-	122,923	122,923
Fund Balance – December 31	\$ (16,335)	\$ 261,032	\$ 277,367

The notes to the financial statements are an integral part of this statement.

SPECIAL REVENUE FUND

To account for resources legally restricted to expenditure for specified current operating purposes.

1/2 cent sales tax dedication and other revenue of the Ball Volunteer Fire Department (Component Unit).

TOWN OF BALL, LOUISIANA
FIRE DEPARTMENT (COMPONENT UNIT) SPECIAL REVENUE FUND
BALANCE SHEET

For the Year Ended December 31, 2003

<u>ASSETS</u>	
Cash	\$ 63,024
Investments	32,244
Taxes Receivable	<u>7,105</u>
TOTAL ASSETS	<u>\$ 102,373</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Accounts Payable	\$ 7,889
Fund Balance	<u>94,484</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 102,373</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BALL, LOUISIANA
FIRE DEPARTMENT (COMPONENT UNIT) SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Sales Tax	\$ 75,000	\$ 91,659	\$ 16,659
Other	13,378	14,918	1,540
Total Revenues	<u>\$ 88,378</u>	<u>\$ 106,577</u>	<u>\$ 18,199</u>
Expenditures:			
Insurance	\$ 5,461	\$ 15,293	\$ (9,832)
Office Supplies	1,750	1,799	(49)
Repair & Maintenance	-0-	7,773	(7,773)
Vehicle Maintenance, Gas & Oil	3,733	2,010	1,723
Miscellaneous	-0-	1,709	(1,709)
Utilities	2,806	2,383	423
Dues	145	398	(253)
Debt Service	18,252	18,252	-0-
Equipment	10,877	24,802	(13,925)
Professional Fees	6,387	3,229	3,158
Bank Service Charge	17	-0-	17
Employee Training	7,600	932	6,668
Travel	350	-0-	350
Grant Expense	31,000	15,965	15,035
Total Expenditures	<u>\$ 88,378</u>	<u>\$ 94,545</u>	<u>\$ (6,167)</u>
Excess of Revenues Over (Under)			
Expenditures Before Other Financing			
Sources (Uses)	\$ -0-	\$ 12,032	\$ 12,032
Other Financing Sources (Uses)			
Transfers	\$ -0-	\$ (3,000)	\$ (3,000)
Excess of Revenues Over (Under)			
Expenditures After Other Financing			
Sources (Uses)	\$ -0-	\$ 9,032	\$ 9,032
Fund Balance – January 1	<u>-0-</u>	<u>85,452</u>	<u>85,452</u>
Fund Balance – December 31	<u>\$ -0-</u>	<u>\$ 94,484</u>	<u>\$ 94,484</u>

The notes to the financial statements are an integral part of this statement.

DEBT SERVICE FUNDS

To accumulate monies for payment of the 1983 \$150,000 Sewer District No. 1 general obligation bonds and the 1983 \$150,000 Sewer System general obligation bonds, which are due in annual installments, plus interest, through maturity in 2023.

To accumulate monies for payment of 1996 \$310,000 Sewer Improvement general obligation bonds, which are due in annual installments, plus interest, through maturity in 2016.

**TOWN OF BALL, LOUISIANA
DEBT SERVICE FUND
COMBINING BALANCE SHEET**

For the Year Ended December 31, 2003

	Town of Ball Sewer System	Sewer District No. 1	Sewer District No. 1	Total
<u>ASSETS</u>				
Taxes Receivable	\$ 4,985	\$ 4,985	\$ 11,149	\$ 21,119
Due From Agency Fund	17,732	17,732	55,660	91,124
TOTAL ASSETS	\$ 22,717	\$ 22,717	\$ 66,809	\$ 12,243
<u>LIABILITIES AND FUND BALANCE</u>				
Due To Other Funds	\$ -0-	\$ -0-	\$ 35,228	\$ 35,228
Fund Balance	22,717	22,717	31,581	77,015
TOTAL LIABILITIES AND FUND BALANCE	\$ 22,717	\$ 22,717	\$ 66,809	\$ 112,243

The notes to the financial statements are an integral part of this statement.

TOWN OF BALL, LOUISIANA
DEBT SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

For the Year Ended December 31, 2003

	Town of Ball Sewer System	Sewer District No. 1	Sewer District No. 1	Total
<u>Revenue</u>				
Ad Valorem Taxes (Note 2)	\$ 14,734	\$ 14,734	\$ 32,640	\$ 62,108
Interest	-0-	-0-	318	318
Total Revenue	\$ 14,734	\$ 14,734	\$ 32,958	\$ 62,426
<u>Expenditures</u>				
Principal Retirement (Note 5)	\$ 3,156	\$ 3,156	\$ 10,000	\$ 16,312
Interest Expense	5,739	5,739	14,768	26,246
Related Expense	902	902	2,017	3,821
Total Expenditures	\$ 9,797	\$ 9,797	\$ 26,785	\$ 46,379
Excess Of Revenues Over Expenditures	\$ 4,937	\$ 4,937	\$ 6,173	\$ 16,047
Fund Balance – January 1	17,780	17,780	25,408	60,968
Fund Balance – December 31	\$ 22,717	\$ 22,717	\$ 31,581	\$ 77,015

The notes to the financial statements are an integral part of this statement.

CAPITAL PROJECTS FUNDS

To account for the purchase or construction of major capital facilities which are not financed by proprietary funds, special assessment funds or trust funds.

- * 1996 General Obligation Bonds in the amount of \$ 310,000 for Sewer System Improvements. Bonds to be serviced by an ad valorem tax dedicated to bonds.
- * LCDBG Fire Grant in the amount of \$490,526 for improvements to the Fire Department.

TOWN OF BALL, LOUISIANA
CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2003

<u>ASSETS</u>	<u>Sewer Grant</u>	<u>LCDBG</u>	<u>Total</u>
Cash	\$ 16,467	\$ -0-	\$ 16,467
Due From Debt Service	35,228	-0-	35,228
Grant Receivable	42,535	178,956	221,491
	<u>-----</u>	<u>-----</u>	<u>-----</u>
TOTAL ASSETS	\$ 94,230	\$ 178,956	\$ 273,186
	<u>-----</u>	<u>-----</u>	<u>-----</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Contracts Payable	\$ -0-	\$ 178,956	\$ 178,956
Fund Balance	94,230	-0-	94,230
	<u>-----</u>	<u>-----</u>	<u>-----</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 94,230	\$ 178,956	\$ 273,186
	<u>-----</u>	<u>-----</u>	<u>-----</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF BALL, LOUISIANA
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

For The Year Ended December 31, 2003

<u>Revenues</u>	<u>Sewer Grant</u>	<u>LCDBG</u>	<u>Total</u>
Interest Income	\$ 433	\$ -0-	\$ 433
Grants	74,869	452,841	527,710
Total Revenues	\$ 75,302	\$ 452,841	\$ 528,143
<u>Expenditures</u>			
Public Works	\$ 79,209	\$ 452,841	\$ 532,050
Administration	385	-0-	385
Total Expenditures	\$ 79,594	\$ 452,841	\$ 532,435
Excess (Deficiency)Of Revenues Over Expenditures Before Other Financing Sources (Uses)	\$ (4,292)	\$ -0-	\$ (4,292)
Other Financing Sources (Uses)	\$ 20,000	\$ -0-	\$ 20,000
Excess (Deficiency)Of Revenues Over Expenditures After Other Financing Sources (Uses)	\$ 15,708	\$ -0-	\$ 15,708
Fund Balance – Beginning Of Year	78,522	-0-	78,522
Fund Balance – End Of Year	\$ 94,230	\$ -0-	\$ 94,230

The notes to the financial statements are an integral part of this statement.

**TOWN OF BALL, LOUISIANA
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
(BUDGET vs ACTUAL)**

For The Year Ended December 31, 2003

	LCDBG		
	Budget	Actual	Variance
<u>Revenues:</u>			
Interest Income	\$ -0-	\$ -0-	\$ -0-
Grants	452,841	452,841	-0-
Total Revenues	\$ 452,841	\$ 452,841	\$ -0-
<u>Expenditures:</u>			
Public Works	\$ 452,841	\$ 452,841	\$ -0-
Total Expenditures	\$ 452,841	\$ 452,841	\$ -0-
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	-0-	-0-	-0-
Other Financing Sources (Uses)	\$ -0-	\$ -0-	\$ -0-
Excess of Revenues Over (Under) Expenditures After Other Financing Sources (Uses)	\$ -0-	\$ -0-	\$ -0-
Fund Balance – Beginning	-0-	-0-	-0-
Fund Balance - Ending	\$ -0-	\$ -0-	\$ -0-

The notes to the financial statements are an integral part of this statement.

Sewer Grant		
Budget	Actual	Variance
\$ 433	\$ 433	\$ -0-
74,869	74,869	-0-
\$ 75,302	\$ 75,302	\$ -0-
\$ 79,209	\$ 79,209	\$ -0-
\$ 79,209	\$ 79,209	\$ -0-
(4,929)	(4,929)	-0-
\$ -0-	\$ 20,000	\$ 20,000
\$ (4,929)	\$ 15,708	\$ 20,000
-0-	78,522	78,522
<u>\$ (4,929)</u>	<u>\$ 94,230</u>	<u>\$ 98,522</u>

Total		
Budget	Actual	Variance
\$ 433	\$ 433	\$ -0-
527,710	527,710	-0-
\$ 528,143	\$ 528,143	\$ -0-
\$ 532,050	\$ 532,050	\$ -0-
\$ 532,050	\$ 532,050	\$ -0-
(4,292)	(4,292)	-0-
\$ -0-	\$ 20,000	\$ 20,000
\$ (4,292)	\$ 15,708	\$ 20,000
-0-	78,522	78,522
<u>\$ (4,292)</u>	<u>\$ 94,230</u>	<u>\$ 98,522</u>

ENTERPRISE FUND

To account for the operations of the Sanitation and Sewer System of the Town of Ball that are financed and operated in a manner similar to private business enterprises - where the intent is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

TOWN OF BALL, LOUISIANA
ENTERPRISE FUND
COMBINING BALANCE SHEET

December 31, 2003

	Sewer Fund	Sanitation Fund	Total
ASSETS			
Cash and C. D.'s	\$ 3,422	\$ 32,461	\$ 35,883
Accounts Receivable (Net)	40,105	20,560	60,665
Due From Other Funds	26,540	-0-	26,540
Restricted Assets:			
Utility Sinking Fund Cash	150,882	-0-	150,882
Utility Reserve Fund Cash	61,061	-0-	61,061
Utility Depreciation Fund Cash	61,174	-0-	61,174
Customer Deposits	27,157	-0-	27,157
Plant And Equipment (Net) (Note 8)	6,278,851	102,989	6,381,840
TOTAL ASSETS	\$ 6,649,192	\$ 156,010	\$ 6,805,202
LIABILITIES, CONTRIBUTED CAPITAL AND RETAINED EARNINGS			
Accounts Payable – Operating	\$ 10,502	\$ 13,314	\$ 23,816
Payable From Restricted Assets:			
Accrued Interest	31,677	-0-	31,677
Utility Deposits Due Customers	30,273	-0-	30,273
Revenue Bonds Payable (Schedule 1)	25,934	-0-	25,934
Notes Payable	20,574	48,066	68,640
Revenue Bonds Payable	704,177	-0-	704,177
TOTAL LIABILITIES	\$ 823,137	\$ 61,380	\$ 884,517
CONTRIBUTED CAPITAL (NOTE 9)	\$ 9,049,130	\$ -0-	\$ 9,049,130
Retained Earnings:			
Reserved For Debt Service	\$ 154,332	\$ -0-	\$ 154,332
Reserved For Contingency	61,174	-0-	61,174
Unreserved	(3,438,581)	94,630	(3,343,951)
TOTAL RETAINED EARNINGS	\$ (3,223,075)	\$ 94,630	\$ (3,128,445)
TOTAL LIABILITIES, CONTRIBUTED CAPITAL AND RETAINED EARNINGS	\$ 6,649,192	\$ 156,010	\$ 6,805,202

The notes to the financial statements are an integral part of this statement.

TOWN OF BALL, LOUISIANA
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

For The Year Ended December 31, 2003

	Sewer Fund	Sanitation Fund	Total
Operating Revenues:			
Utility Revenues	\$ 315,402	\$ 254,196	\$ 569,598
Inspection Fees	400	-0-	400
Tap Fees	9,950	-0-	9,950
Miscellaneous Income	6,398	4,350	10,748
Wastewater Dump Fees	3,210	-0-	3,210
Ad Valorem Tax	46,502	-0-	46,502
Disaster Reimbursement	-0-	15,585	15,585
Total Operating Revenues	\$ 381,862	\$ 274,131	\$ 655,993
Operating Expenses:			
Salaries & Labor	\$ 100,901	\$ 117,870	\$ 218,771
Office Supplies & Expenses	8,385	6,859	15,244
Repair & Maintenance	66,647	23,168	89,815
Fuel Expense	9,368	15,930	25,298
Utilities	69,795	-0-	69,795
Insurance	2,610	6,233	8,843
Professional Fees	8,384	4,413	12,797
Miscellaneous Operating Expense	2,702	3,419	6,121
Dump Fees	-0-	47,384	47,384
Depreciation Expense	254,143	18,818	272,961
Total Operating Expenses	\$ 522,935	\$ 244,094	\$ 767,029
Operating Income	\$ (141,073)	\$ 30,037	\$ (111,036)
Non Operating Revenues (Expenses)			
Interest Income	\$ 3,288	\$ 378	\$ 3,666
Interest Expense	(39,453)	(2,771)	(42,224)
Total Non Operating Revenues (Expenses)	\$ (36,165)	\$ (2,393)	\$ (38,558)
Net Loss Before Operating Transfers	(177,238)	27,644	(149,594)
Operating Transfers In (Out)	(23,872)	(2,828)	(26,700)
Net Income (Loss)	\$ (201,110)	\$ 24,816	\$ (176,294)
Retained Earnings (Deficit) January 1	(3,021,965)	69,814	(2,952,151)
Retained Earnings (Deficit) December 31	\$ (3,223,075)	\$ 94,630	\$ (3,128,445)
Contributed Capital Beginning	\$ 8,969,536	\$ -0-	\$ 8,969,536
Additions from Capital Projects	79,594	-0-	79,594
Contributed Capital Ending	\$ 9,049,130	\$ -0-	\$ 9,049,130

The notes to the financial statements are an integral part of this statement.

TOWN OF BALL, LOUISIANA
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOW

For The Year Ended December 31, 2003

	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss)	\$ (201,110)	\$ 24,816	\$ (176,294)
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities			
Depreciation	254,143	18,818	272,961
(Increase) Decrease In:			
Trade Account Receivable	(2,541)	133	(2,408)
Due From Other Funds	(17,691)	-0-	(17,691)
Increase (Decrease) in:			
Trade Accounts Payable	28,609	6,566	35,175
Accrued Liabilities	(1,403)	-0-	(1,403)
	<u>60,007</u>	<u>50,333</u>	<u>110,340</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 60,007</u>	<u>\$ 50,333</u>	<u>\$ 110,340</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Restricted Funds	\$ (7,016)	\$ -0-	\$ (7,016)
	<u>52,991</u>	<u>50,333</u>	<u>103,324</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>\$ 52,991</u>	<u>\$ 50,333</u>	<u>\$ 103,324</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Debt Reduction			
Long-Term	\$ (25,934)	\$ (14,503)	\$ (40,437)
Fixed Assets	(25,897)	(13,558)	(39,455)
Customer Deposits	1,482	-0-	1,482
	<u>(50,349)</u>	<u>(28,061)</u>	<u>(78,410)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>\$ (50,349)</u>	<u>\$ (28,061)</u>	<u>\$ (78,410)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ 2,642</u>	<u>\$ 22,272</u>	<u>\$ 24,914</u>
CASH AT BEGINNING OF YEAR	<u>780</u>	<u>10,189</u>	<u>10,969</u>
CASH AT END OF YEAR	<u>\$ 3,422</u>	<u>\$ 32,461</u>	<u>\$ 35,883</u>
SUPPLEMENTAL DISCLOSURES			
Interest Paid	<u>\$ 40,581</u>	<u>\$ 2,771</u>	<u>\$ 43,352</u>

The notes to the financial statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for all general fixed assets owned by the Town of Ball and the Ball Volunteer Fire Department.

**TOWN OF BALL, LOUISIANA
STATEMENT OF GENERAL FIXED ASSETS**

For the Year Ended December 31, 2003

General Fixed Assets, At Cost (Note 4) -

Land and Buildings	\$ 712,396
Vehicle and Equipment	1,526,630
	<hr/>

Total General Fixed Assets	\$ 2,239,026
	<hr/>

Investment in General Fixed Assets -

From General Fund	\$ 852,324
From Federal Revenue Sharing Fund	26,500
From Fire - Special Revenue	842,364
From Municipal Building Capital Projects Fund	517,838
	<hr/>

Total Investment in General Fixed Assets	\$ 2,239,026
	<hr/>

The notes to the financial statements are an integral part of this statement.

TOWN OF BALL, LOUISIANA
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

For the year ended December 31, 2003

GENERAL FIXED ASSETS	Balance 12-31-2002	Additions	Deletions	Balance 12/31/2003
Land & Buildings	\$ 692,396	\$ 20,000	\$ -0-	\$ 712,396
Vehicle & Equipment	1,043,153	483,477	-0-	1,526,630
Total	\$ 1,735,549	\$ 503,477	\$ -0-	\$ 2,239,026
INVESTMENTS IN GENERAL FIXED ASSETS				
From General Fund	\$ 826,491	\$ 25,834	\$ -0-	\$ 852,325
From Revenue Sharing	26,500	-0-	-0-	26,500
From Fire (Special Revenue)	364,720	477,643	-0-	842,363
From Municipal Building – Capital Projects	517,838	-0-	-0-	517,838
Total	\$ 1,735,549	\$ 503,477	\$ -0-	\$ 2,239,026

The notes to the financial statements are an integral part of this statement.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general obligation debt of the Town of Ball expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service funds, general fund and special revenue fire fund.

TOWN OF BALL, LOUISIANA
STATEMENT OF GENERAL LONG-TERM DEBT

December 31, 2003

**AMOUNT AVAILABLE AND TO BE PROVIDED FOR
THE RETIREMENT OF GENERAL LONG-TERM DEBT**

	Town of Ball Sewer System	Sewerage District No. 1	Sewer Improvement No. 1	Crown Victoria SHB Police	Vehicle Lease Purchase Hibernia Bank
Amount Available in Debt Service For Debt Retirement	\$ 8,890	\$ 8,890	\$ 24,767	\$ -0-	\$ -0-
Amount To Be Provided For Retirement Of General Long-Term Debt	101,788	101,788	225,233	12,614	4,338
	<u>\$ 110,678</u>	<u>\$ 110,678</u>	<u>\$ 250,000</u>	<u>\$ 12,614</u>	<u>\$ 4,338</u>
GENERAL LONG-TERM DEBT					
Bond Payment (Sch. 1 & Note 5)	<u>\$ 110,678</u>	<u>\$ 110,678</u>	<u>\$ 250,000</u>	<u>\$ 12,614</u>	<u>\$ 4,338</u>

The notes to the financial statements are an integral part of this statement.

FMHA Fire Truck	Accrued Absences	2003 F-250 Ford Truck Sewer	2002 F-250 Ford Truck Street	John Deere Tractor Street	2002 Crown Victoria Police	John Deere Tractor Street	Total
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 42,547
43,500	12,680	20,574	7,161	11,552	5,637	2,276	549,141
<u>\$ 43,500</u>	<u>\$ 12,680</u>	<u>\$ 20,574</u>	<u>\$ 7,161</u>	<u>\$ 11,552</u>	<u>\$ 5,637</u>	<u>\$ 2,276</u>	<u>\$ 591,688</u>
<u>\$ 43,500</u>	<u>\$ 12,680</u>	<u>\$ 20,574</u>	<u>\$ 7,161</u>	<u>\$ 11,552</u>	<u>\$ 5,637</u>	<u>\$ 2,276</u>	<u>\$ 591,688</u>

SUPPLEMENTAL SCHEDULES AND STATEMENTS

**TOWN OF BALL, LOUISIANA
BOND SCHEDULE**

December 31, 2003

	<u>Rates</u>	<u>Payment Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Annual Serial Payment</u>
GENERAL OBLIGATION BONDS					
Sewerage District No. 1	5%	3/9	3/9/83	3/9/2023	\$ 8,894/YR
Town of Ball -					
Sewer System	5%	3/9	3/9/83	3/9/2023	8,894/YR
Sewer Improvements	10%	3/1	8/1/96	3/1/2016	29,825/YR
TOTAL GENERAL OBLIGATION BONDS					
REVENUE BONDS					
Sewer System	5%	3/9	3/9/83	3/9/2023	45,713/YR
Sewer System	6.5%	3/9	5/2/94	3/9/2014	20,802/YR
TOTAL SEWER REVENUE BONDS					

Bonds			
<u>Authorized</u>	<u>Issued</u>	<u>Retired This Year</u>	<u>Outstanding</u>
\$ 150,000	\$ 150,000	\$ 3,155	\$ 110,678
150,000	150,000	3,155	110,678
<u>310,000</u>	<u>310,000</u>	<u>10,000</u>	<u>250,000</u>
 \$ 610,000	 \$ 610,000	 \$ 16,310	 \$ 471,356
 \$ 771,000	 \$ 771,000	 \$ 16,157	 \$ 570,150
<u>228,000</u>	<u>228,000</u>	<u>9,777</u>	<u>159,960</u>
 \$ 999,000	 \$ 999,000	 \$ 25,934	 \$ 730,110

TOWN OF BALL, LOUISIANA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
(Unaudited)

For the year ended December 31, 2003

Schedule 2

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General and Administrative:			
Salaries & Benefits	\$ 187,676	\$ 145,751	\$ 41,925
Professional Fees	9,591	9,364	227
Utilities & Telephone	26,066	26,000	66
Office Supplies	3,608	5,917	(2,309)
Dues & Subscriptions	1,000	2,638	(1,638)
Repair & Maintenance	4,000	17,075	(13,075)
Publications & Printing	1,817	4,625	(2,808)
Surety Bonds & Insurance	10,373	14,992	(4,619)
Travel	1,414	3,087	(1,673)
Miscellaneous Expense	5,326	6,514	(1,188)
Outside Labor	729	1,239	(510)
Operating Supplies	1,337	653	684
Service Charge	203	100	103
Fixed Asset Purchase	697	12,053	(11,356)
Hibernia Car Lease	5,356	5,376	(20)
	<hr/>	<hr/>	<hr/>
Total General & Administrative	\$ 259,193	\$ 255,384	\$ 3,809
	<hr/>	<hr/>	<hr/>
Police Department:			
Salaries & Benefits	\$ 145,583	\$ 136,128	\$ 9,455
Vehicle Expense	21,222	20,437	785
Utilities	4,169	5,282	(1,113)
Office Supplies	3,908	3,496	412
Insurance	8,839	9,996	(1,157)
Professional Fees	17,182	13,063	4,119
Uniforms	255	581	(326)
Repair & Maintenance	1,857	1,163	694
Travel Expense	257	585	(328)
Coroner Expense	2,261	950	1,311
Dues	2,914	7,300	(4,386)
Miscellaneous	2,443	2,861	(418)
Equipment	3,278	1,092	2,186
Car Leases	11,428	11,473	(45)
Operation & Maintenance	2,204	7,555	(5,351)
	<hr/>	<hr/>	<hr/>
Total Police	\$ 227,800	\$ 221,962	\$ 5,838
	<hr/>	<hr/>	<hr/>

The notes to the financial statements are an integral part of this statement.

TOWN OF BALL, LOUISIANA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
(Unaudited)

For the year ended December 31, 2003
(Continued)

Schedule 2

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Street Department:			
Salaries & Benefits	\$ 137,627	\$ 125,295	\$ 12,332
Vehicle Expense	30,986	28,064	2,922
Repair and Maintenance	5,000	6,414	(1,414)
Insurance and Bonds	4,984	5,035	(51)
Street Material	78,074	50,577	27,497
Office Supplies	3,914	2,344	1,570
Impounding Expense	1,225	1,384	(159)
Miscellaneous Operating	2,435	413	2,022
Uniforms	626	48	578
Loader Payments	8,006	8,006	-0-
F-250 Truck Payments	11,723	12,289	(566)
Equipment	10,418	12,689	(2,271)
Supplies	1,000	2,743	(1,743)
Professional Fees	10,695	6,359	4,336
Backhoe Payments	6,911	6,911	-0-
Outside Labor	1,000	1,385	(385)
Utilities	3,252	5,432	(2,180)
Total Street Department	<u>\$ 317,876</u>	<u>\$ 275,388</u>	<u>\$ 42,488</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BALL, LOUISIANA
SEWER FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
For The Two Years Ended December 31, 2002 and December 31, 2003

	<u>2002</u>	<u>2003</u>
Operating Revenues:		
Utility Revenues	\$ 316,340	\$ 315,402
Inspection Fees	260	400
Tap Fees	6,550	9,950
Miscellaneous Income	5,597	6,398
Wastewater Dump Fees	2,670	3,210
Ad Valorem Tax	44,250	46,502
	<hr/>	<hr/>
Total Operating Revenues	\$ 375,667	\$ 381,862
	<hr/>	<hr/>
Operating Expenses:		
Salaries & Labor	\$ 95,706	\$ 100,901
Retirement Buy Back	49,000	-0-
Office Supplies & Expenses	10,102	8,385
Repair & Maintenance	91,013	51,571
Fuel Expense	6,769	9,368
Utilities	44,601	69,795
Insurance	2,182	2,610
Professional Fees	11,279	8,384
Miscellaneous Operating Expense	2,097	2,702
Prisoner Expense	631	-0-
Depreciation Expense	252,948	254,143
Plant Operating Expense	23,636	15,076
	<hr/>	<hr/>
Total Operating Expenses	\$ 589,964	\$ 522,935
	<hr/>	<hr/>
Operating Income	\$ (214,297)	\$ (141,073)
	<hr/>	<hr/>
Non Operating Revenues (Expenses)		
Interest Income	\$ 6,417	\$ 3,288
Interest Expense	(40,621)	(39,453)
	<hr/>	<hr/>
Total Non Operating Revenues (Expenses)	\$ (34,204)	\$ (36,165)
	<hr/>	<hr/>
Net Loss Before Operating Transfers	(248,501)	(177,238)
Operating Transfers In (Out)	7,620	(23,872)
	<hr/>	<hr/>
Net Loss	\$ (240,881)	\$ (201,110)
	<hr/>	<hr/>
Retained Earnings (Deficit) January 1	(2,781,084)	(3,021,965)
	<hr/>	<hr/>
Retained Earnings (Deficit) December 31	\$ (3,021,965)	\$ (3,223,075)
	<hr/>	<hr/>

The notes to the financial statements are an integral part of this statement.

TOWN OF BALL, LOUISIANA
FIRE DEPARTMENT (COMPONENT UNIT) SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

For the Two Year Ended December 31, 2002 and December 31, 2003

	<u>2003</u>	<u>2002</u>
Revenues:		
Sales Tax	\$ 91,659	\$ 86,137
Other	14,918	14,618
Total Revenues	<u>\$ 106,577</u>	<u>\$ 100,755</u>
Expenditures:		
Insurance	\$ 15,293	\$ 9,468
Office Supplies	1,799	5,040
Repair & Maintenance	7,773	8,179
Vehicle Maintenance, Gas & Oil	2,010	2,711
Miscellaneous	1,709	1,695
Utilities	2,383	2,010
Dues	398	103
Debt Service	18,252	18,252
Equipment	24,802	6,226
Professional Fees	3,229	7,813
Bank Service Charge	-0-	20
Employee Training	932	6,205
Travel	-0-	250
Grant Expense	15,965	9,470
Total Expenditures	<u>\$ 94,545</u>	<u>\$ 77,442</u>
Excess of Revenues Over (Under)		
Expenditures Before Other Financing		
Sources (Uses)	\$ 12,032	\$ 23,313
Other Financing Sources (Uses)		
Transfers	<u>\$ (3,000)</u>	<u>\$ -0-</u>
Excess of Revenues Over (Under)		
Expenditures After Other Financing		
Sources (Uses)	\$ 9,032	\$ 23,313
Fund Balance – January 1	<u>85,452</u>	<u>62,139</u>
Fund Balance – December 31	<u><u>\$ 94,484</u></u>	<u><u>\$ 85,452</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BALL, LOUISIANA
INSURANCE SCHEDULE
(Unaudited)

Schedule 3

Description	Coverage	Amount	Expiration Date
Town Hall and Contents	Fire and Lighting, Ext. Coverage Vandalism and Malicious Mischief	\$515,000	8-2-04
Employees	Workmen's Compensation	\$100,000 – Statutory	12-31-04
Surety Bonds	Honesty Blanket Position	\$10,000	12-12-04
Surety Bonds	Tax Collector and Fire Chief	\$5,000	11-2-04
Joint Project for Improvement of Gravel Streets	Bodily Injury Property Damage	\$1,100 \$1,100	5-1-04 5-1-04
General Liability	Bodily Injury	\$500,000	5-1-04
General Liability	Property Damage	\$500,000	5-1-04
Automobile Liability	Bodily Injury	\$500,000	5-1-04
Surety	Position Bond - Clerk	\$70,000	10-31-04
Equipment Shop and Office	Property Damage	\$65,000	8-2-04
Fire Department	Property Damage	\$40,000	5-1-04
Senior Citizen Building	Liability	\$136,000	8-2-04

**TOWN OF BALL, LOUISIANA
GENERAL OBLIGATION BONDS**

DECEMBER 31, 2003

Maturity schedule for an issue of Three Hundred Thousand Dollars (\$300,000) of General Obligation Bonds of the Town of Ball, Louisiana, administered by the Debt Service Fund, bearing interest at the rate of 5% per annum.

Maturity schedule for an issue of Three Hundred Ten Thousand Dollars (\$310,000) of General Obligation Bonds of the Town of Ball, Louisiana administered by the Debt Service Fund, bearing interest at the rate of 10% per annum.

Date	General Obligation Bonds		
	\$300,000	\$310,000	Total
3/2004	17,788	30,762	48,550
3/2005	17,788	29,788	47,576
3/2006	17,788	28,812	46,600
3/2007	17,788	27,838	45,626
3/2008	17,788	26,862	44,650
3/2009	17,788	25,888	43,676
3/2010	17,788	29,750	47,538
3/2011	17,788	28,450	46,238
3/2012	17,788	27,150	44,938
3/2013	17,788	25,850	43,638
3/2014	17,788	29,387	47,175
3/2015	17,788	27,763	45,551
3/2016	17,788	30,975	48,763
3/2017	17,788	-0-	17,788
3/2018	17,788	-0-	17,788
3/2019	17,788	-0-	17,788
3/2020	17,788	-0-	17,788
3/2021	17,788	-0-	17,788
3/2022	17,788	-0-	17,788
3/2023	17,788	-0-	17,788
Total	\$ 355,760	\$ 369,275	\$ 725,035

**TOWN OF BALL, LOUISIANA
REVENUE BONDS PAYABLE**

DECEMBER 31, 2003

\$771,000 Sewer Revenue Bonds, maturity date of March 9, 2023, bearing interest at 5% per annum

\$229,000 Sewer Revenue Bonds, maturity date of March 9, 2024, bearing interest at 9.625% per annum

March 9, of The Years	Annual Payment
3/2004	66,515
3/2005	66,515
3/2006	66,515
3/2007	66,515
3/2008	66,515
3/2009	66,515
3/2010	66,515
3/2011	66,515
3/2012	66,515
3/2013	66,515
3/2014	66,515
3/2015	45,713
3/2016	45,713
3/2017	45,713
3/2018	45,713
3/2019	45,713
3/2020	45,713
3/2021	45,713
3/2022	45,713
3/2023	45,713
Total	<u>\$ 1,143,082</u>

**TOWN OF BALL, LOUISIANA
NOTES AND OTHER DEBTS PAYABLE**

DECEMBER 31, 2003

\$24,806 purchase (F-250 White Crew Cab) bearing interest of 5% with the last payment due September 30, 2007.

Southern Heritage Bank lease in the amount of \$20,864 payable in monthly installments of \$473.43 beginning May 27, 2002 and ending April 27, 2006; interest at 4.25%.

\$140,000 payable to FMHA (New Fire Truck Note) bearing interest of 5.5% with the last payment due July 24, 2006.

Red River Bank (Garbage Truck) note in the amount of \$76,373 payable in monthly installments of \$1,439 bearing interest at 4.95% last payment due December 2006.

\$19,000 lease purchase (Crown Victoria) bearing interest of 5.9% with the last payment due October 2004.

Bank One street departments lease in the amount of \$35,000 payable in monthly installments of \$575.93 beginning May 1, 2000 and ending April 1, 2004; interest at 5.75%.

Southern Heritage Bank street lease in the amount of \$29,000 payable in monthly installments of \$677 bearing interest at 4.95% with last payment due June 7, 2005.

Hibernia Bank police lease in the amount of \$20,353 payable in monthly installments of \$477 bearing interest at 5.93% with last payment due December 2004.

Red River Bank street lease in the amount of \$18,964 payable in monthly installments of \$566 bearing interest at 4.75% with last payment due January 2005.

Mayor Roy Hebron accumulated accrued absences in the amount of \$12,680.

Date	Sewer F-250 White Crew Cab	SHB Police Crown Victoria	New Fire Truck FMHA	2002 Intern'l Garbage Truck	Hibernia Bank Vehicle Lease	John Deere Tractor Street	Hibernia Bank Police Car	2002 F-250 Truck Street	Accrued Absences
2004	\$ 6,026	\$ 5,681	\$ 18,252	\$ 17,274	\$ 4,456	\$ 8,006	\$ 5,728	\$ 6,795	\$ 12,680
2005	6,026	5,681	18,252	17,274	-0-	8,007	-0-	566	-0-
2006	6,026	1,894	10,647	17,274	-0-	-0-	-0-	-0-	-0-
2007	4,519	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total	\$ 22,597	\$ 13,256	\$ 47,151	\$ 51,822	\$ 4,456	\$16,013	\$ 5,728	\$ 7,361	\$ 12,680

OTHER SUPPLEMENTARY INFORMATION

JOHN R. VERCHER PC

Certified Public Accountant

P.O. Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

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

The Honorable Roy Hebron, Mayor
and Members of the Board of Aldermen
Ball, Louisiana

COMPLIANCE

I have audited the compliance of Town of Ball, Louisiana, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The Town of Ball, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Town of Ball, Louisiana's management. My responsibility is to express an opinion on Town of Ball, Louisiana's compliance based on my audit.

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

As described in item 2003-C-2 in the accompanying schedule of findings and questioned costs, Town of Ball, Louisiana, did not comply with requirements regarding procurement and suspension and debarment. Compliance with such requirements is necessary, in my opinion, for the Town of Ball, Louisiana, to comply with requirements applicable to that program.

In my opinion, except for the noncompliance described in the preceding paragraph, Town of Ball, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

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

Internal Control Over Compliance

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

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

This report is intended solely for the information and use of management, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

John R. Vercher

Jena, Louisiana

May 18, 2004

TOWN OF BALL, LOUISIANA
Ball, Louisiana
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2003

Federal Grantor/Pass-Through Grantor/Programs Title	Federal CFDA Number	Agency Or Pass-Through Number	Federal Expenditures
US Department of Housing and Urban Development/Louisiana Division of Administration			
Louisiana Community Development Block Grant # FY 2002 – LCDBG – PF584683	14.228		\$ 452,841

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A – Single Audit Requirements –

In July 1996, the Single Audit Act Amendments of 1996 (1996 Act) were enacted and superseded the Single Audit Act of 1984. In June 1997 OMB issued a revised Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, to implement the changes from the 1996 Act and to rescind Circular A-128. These requirements provide that entities expending \$300,000 or more of federal funds be subject to a single audit. Therefore, The Town of Ball, Louisiana is subject to Single Audit requirements for the fiscal year ended June 30, 2003.

Note B – Significant Accounting Policies –

The schedule of expenditures of federal awards utilized the modified accrual basis of accounting where expenditures are recognized when the goods and services are rendered and the resulting liability is incurred.

Supplementary schedule. Presented for purposes of additional analysis only.

**TOWN OF BALL
BALL, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended December 31, 2003**

I have audited the general purpose financial statements of the Town of Ball, Louisiana, as of and for the year ended December 31, 2003 and have issued my report thereon dated May 18, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. My audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable Conditions ☐ Yes ☒ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☒
For Major Programs Disclaimer ☐ Adverse ☐

Are the findings required to be reported in accordance with Circular A-133, Section .510(a)?

☒ Yes ☐ No

c. Identification Of Major Programs:

CFDA Number (s)	Name Of Federal Program (or Cluster)
14.228	Louisiana Community Development Block Grant PF 584683

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☒ No

**TOWN OF BALL
BALL, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended December 31, 2003**

Section II Financial Statement Findings Required To Be Reported In Accordance With GAGAS

Reference	Description of Finding	Recommendation
2003-C-1	<p><u>Budgets</u></p> <p>The Town overspent its fire fund budget for the fiscal year ended December 31, 2003 by \$6,167 or 6.98%. Expenditures in excess of 5% of the budget violates the local government budget law. The Town's budget was amended during the year, however it did not take in account the increase in expenditures.</p>	<p>When revenues or expenditures fail to meet budgeted revenue or expenditures by more than 5%, the budget should be amended.</p>

Section III – Internal Control

No items to report.

Section IV Federal Awards Findings and Questioned Costs.

2003-C-2	<p><u>Procurement and Suspension and Debarment</u></p> <p>During testing of suspension and debarment requirements of LCDBG Grant contract # 584683, I found that the prime contractor was awarded a contract on February 18, 2003, the contract was executed on February 21, 2003 but clearance of the contractor from the debarment list was not received until February 27, 2003. Contractors receiving individual awards for \$100,000 or more and sub-recipients must certify that the organization and its principles are not suspended or debarred.</p>	<p>The Town should receive contractor clearance on all contractors on projects using Federal Funding or LCDBG Funds before the contract is executed.</p>
----------	--	--

**TOWN OF BALL
BALL, LOUISIANA
DECEMBER 31, 2003**

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS

REFERENCE	DESCRIPTION OF FINDING	CORRECTIVE ACTION PLANNED	CONTACT PERSON	ANTICIPATED COMPLETION DATE
2003-C-1	Budgets	The Town will begin monitoring its budget more closely and amend that budget when an unfavorable variance of more than 5 % occurs.	Roy Hebron	December 31, 2004
2003-C-2	Procurement and Suspension and Debarment.	The Town will have its consultant obtain contractor clearance as it relates to suspension and debarment on all future projects using Federal Funding or LCDBG Funds before the contract is executed.	Roy Hebron	December 31, 2004

**TOWN OF BALL
BALL, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Town of Ball, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended December 31, 2002.

There were no prior year comments.

TOWN OF BALL, LOUISIANA
Additional Information

December 31, 2003

Boardmembers	Addresses	Telephone #	Term of Office
Bryan Adams	506 Huckleberry Trace, Pineville, LA 71360	(318) 640-4429	01/01/2003 –12/31/2007
Ms. Willie Bishop	PO Box 463, Ball, LA 71405	(318) 640-3357	01/01/2003 –12/31/2007
Jerry Giddings	PO Box 604, Ball, LA 71405	(318) 640-1513	01/01/2003 –12/31/2007
Curtis Robertson	420 Shanghai Rd, Pineville, LA 71360	(318) 640-2846	01/01/2003 –12/31/2007
Larry Wooley	PO Box 87, Ball, LA 71405	(318) 640-1220	01/01/2003 –12/31/2007

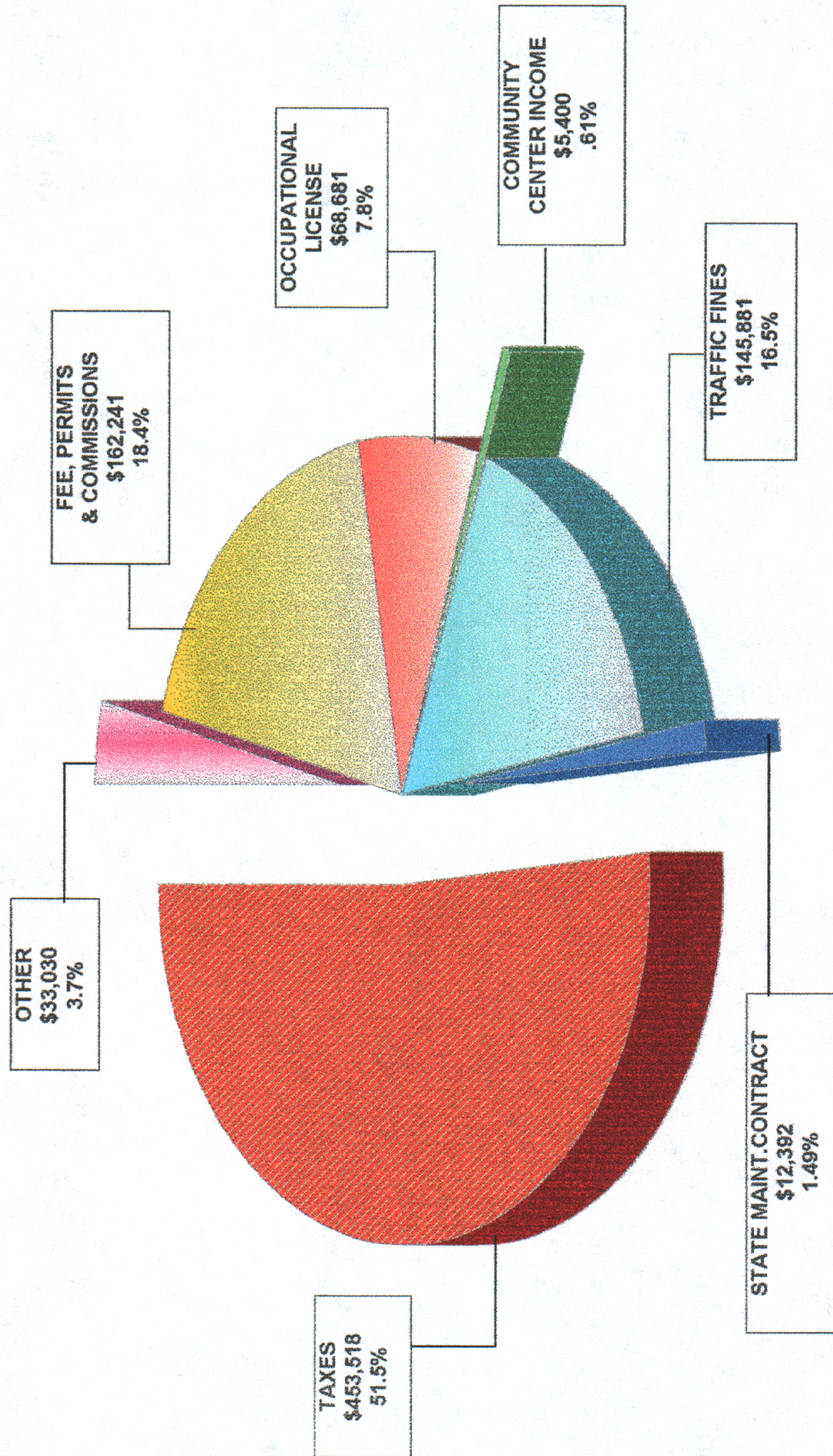
	Sewer Customers:	Rates
	1179 Residential	\$16.00 minimum
	67 Commercial	\$17.50 minimum
	7 Churches	

	Sewer Rates:
Residential	Average six month water usage multiplied by two. Total of average gallons - \$1.00 per thousand plus a \$10.00 flat rate per month.
Commercial	Flat rate - \$17.50
Renters	Flat rate - \$21.00

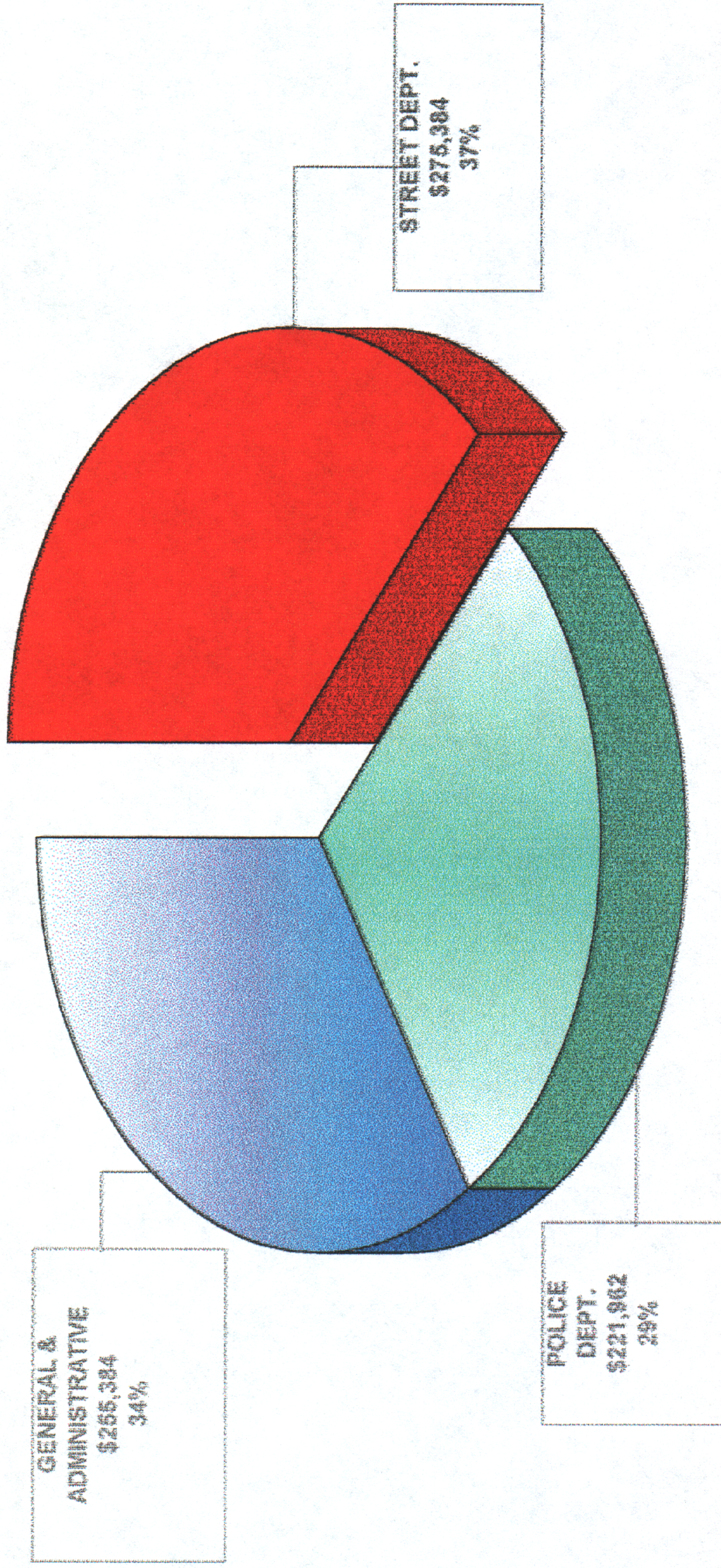
Fire Department
1400 population being served

Graphs

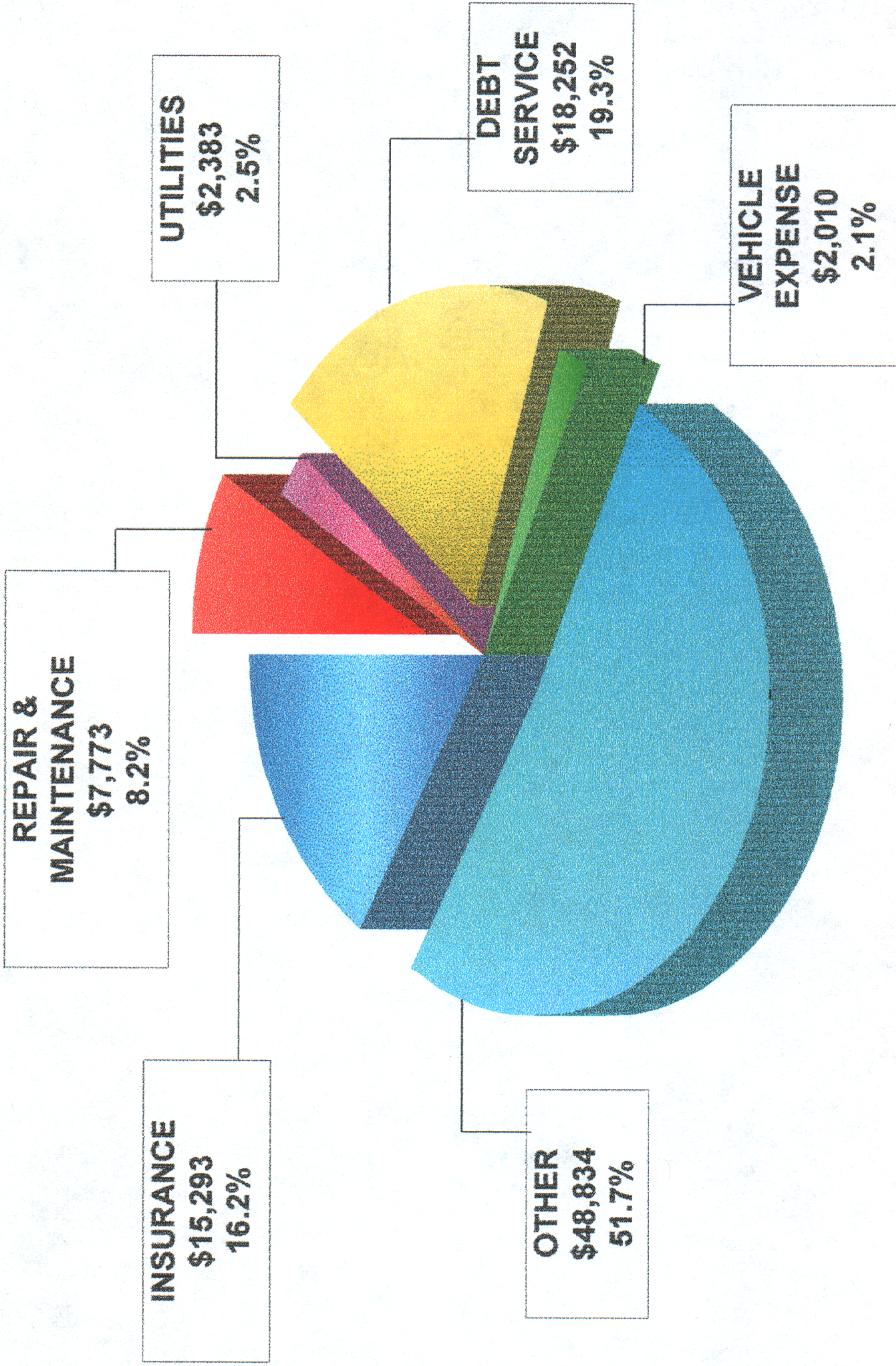
BALL GENERAL FUND REVENUES FOR THE YEAR ENDED DECEMBER 31, 2003



BALL GENERAL FUND EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2003



TOWN OF BALL FIRE FUND EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2003



TOWN OF BALL ENTERPRISE FUND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2003

