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**TOWN OF ARNAUDVILLE, LOUISIANA**

**Financial Report**

**Year Ended June 30, 2004**

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 10-20-04

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**INDEPENDENT AUDITORS' REPORT**

The Honorable Kirby Richard, Mayor  
and Members of the Board of Aldermen  
Town of Amnashville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Amnashville, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Amnashville, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Amnashville, Louisiana, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2004, as our consideration of the Town of Amnashville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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The required supplementary information on pages 48 through 54, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Amnashville, Louisiana's basic financial statements. The other supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The portions of the other supplementary information section marked "unaudited" (pages 54 and 56) have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

*Kobler, Champagne, Simon & Company, LLC*  
Certified Public Accountants

Lafayette, Louisiana  
July 22, 2004

## BASIC FINANCIAL STATEMENTS

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

TOWN OF ARCADEVILLE, LOUISIANA

Statements of Net Assets  
 June 30, 2004  
 With Totals for June 30, 2003

	2004			2003 Totals
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and interest-bearing demand deposits	\$ 778,212	\$ 188,800	\$ 967,012	\$ 781,719
Interest-bearing time deposits	479,315	788,348	1,267,663	1,332,177
Receivables, net	53,315	73,287	126,602	132,419
Internal balances	37,800	(71,800)	-	-
Due from other governmental units	12,250	1,250	13,500	13,379
Prepaid items	4,915	8,188	13,103	14,327
Total current assets	<u>1,365,847</u>	<u>887,173</u>	<u>2,253,020</u>	<u>2,178,451</u>
<b>Noncurrent assets:</b>				
<b>Restricted assets:</b>				
Cash and interest-bearing demand deposits	-	462,817	462,817	68,460
Interest-bearing time deposits	-	84,909	84,909	82,869
Capital assets, net	819,787	3,116,211	3,936,008	2,698,141
Total noncurrent assets	<u>819,787</u>	<u>3,663,937</u>	<u>4,483,804</u>	<u>2,759,470</u>
Total assets	<u>2,185,634</u>	<u>3,751,110</u>	<u>4,844,818</u>	<u>4,178,815</u>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts, salaries and other payables	30,784	45,211	76,005	62,814
Bonds payable	-	28,800	28,800	5,880
Total current liabilities	<u>30,784</u>	<u>74,011</u>	<u>104,805</u>	<u>68,694</u>
<b>Noncurrent liabilities:</b>				
Customers-deposits payable	-	32,849	32,849	34,251
Bonds payable	-	132,800	132,800	160,880
Total noncurrent liabilities	<u>-</u>	<u>165,649</u>	<u>165,649</u>	<u>195,131</u>
Total liabilities	<u>30,784</u>	<u>239,660</u>	<u>296,454</u>	<u>263,825</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	819,787	1,162,211	1,981,998	1,892,141
Restricted for debt service	-	300,836	300,836	181,789
Unrestricted	<u>1,316,820</u>	<u>158,802</u>	<u>1,475,622</u>	<u>2,112,465</u>
Total net assets	<u>2,136,607</u>	<u>1,621,849</u>	<u>3,758,456</u>	<u>4,186,405</u>

The accompanying notes are an integral part of this statement.



TOWNSHIP OF ABERDEENVILLE, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2004

Activities	Program Revenues		New/Revised Revenues and Changes in Old Amounts		
	Expenses	Fees, Fines, and Charges for Services	Operating Revenues (Gains and Losses)	Capital Gains and Losses (Contributions)	
Governmental activities:	\$ 185,381	\$ 89,044	\$ -	\$ -	
General government	264,263	14,287	-	-	
Public safety	81,683	-	-	-	
Police	73,052	-	-	-	
Sewer	-	-	-	-	
Public and recreation	8,631	-	-	-	
Total governmental activities	336,639	14,287	-	-	
Business-type activities:					
City	148,871	148,213	-	-	
Water	199,413	183,328	-	-	
Sewer	178,978	86,969	-	-	
Sanitation	3,413	865	-	-	
Interest on long-term debt	33,262	-	-	-	
Total business-type activities	473,937	320,385	-	-	
Total	\$ 659,328	\$ 219,429	\$ -	\$ -	
			Environmental	Business-type	Total
			Attribution	Attribution	
			\$ (65,675)	\$ -	\$ (65,675)
			841,778	-	841,778
			84,661	-	84,661
			(17,263)	-	(17,263)
			(811,829)	-	(811,829)
			-	8,078	8,078
			-	39,981	39,981
			-	(31,614)	(31,614)
			-	11,489	11,489
			-	(13,285)	(13,285)
			-	83,899	83,899
			(811,829)	(8,008)	(819,837)
			28,523	26,000	54,523
			108,078	-	108,078
			71,738	-	71,738
			92,900	-	92,900
			18,708	28,848	47,556
			22,618	21,774	44,392
			20,888	(52,889)	(32,001)
			15,708	15,708	31,416
			194,889	8,207	203,096
			(2,886,728)	(3,112,208)	(6,000,936)
			\$ 1,128,646	\$ 1,128,646	\$ 2,257,292

General revenues

- Taxes -
- Property taxes, levied for general purposes
- Sales and use taxes, levied for general purposes
- Permitting fees
- Grants and contributions not restricted to specific programs -
- State sources
- Interest and investment earnings
- Miscellaneous
- Transfers

Total general revenues and transfers

Change in net assets

Net assets - July 1, 2003

Net assets - June 30, 2004

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **MAJOR FUNDS**

#### **General Fund**

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

#### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

##### **1989 Sales Tax Fund** -

To account for the receipt and use of proceeds of the Town's 1989 1% sales and use tax. These taxes are dedicated for the purpose of constructing, acquiring, improving and maintaining police department stations and equipment, garbage and waste disposal facilities, streets, drains and drainage facilities; compensating policemen; maintaining sewers and sewerage disposal works; and purchasing and acquiring the necessary equipment and furnishings for the aforesaid public works, improvements and facilities.

##### **1992 Sales Tax Fund** -

To account for the receipt and use of proceeds of the Town's 1992 1% sales and use tax. These taxes are dedicated for the purpose of constructing, acquiring, improving, operating, and/or maintaining public streets, bridges, sidewalks, drainage facilities, recreational facilities and garbage and waste disposal facilities; and purchasing and acquiring the necessary land, equipment, and furnishings for any of the aforesaid public works, improvements and facilities.

#### **Capital Projects Fund**

##### **Street Improvements Fund** -

To account for the financing and improvement of certain streets within the Town. The proceeds of \$300,000 of certificates of indebtedness dated 06/01/92 along with \$283,420 of federal grant monies awarded under the Louisiana Community Development Block Grant program are to be used to finance the 1996 Street Improvement Project as well as future street improvement projects as needed.

#### **Enterprise Fund**

##### **Utility Fund** -

To account for the provision of water, sewerage and limited sanitation services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

### **NONMAJOR FUND**

One Capital Projects Fund is presented as the nonmajor fund. Information about this fund can be found on pages 18-22.

#### **Fiberline Fund**

##### **Prairie des Fourches Water Corporation**

To account for the receipts and disbursements of the Prairie des Fourches Water Corporation (Prairie). The Town agreed to extend water to the Prairie Corporation. The Town does the billing and collection of the Prairie's water sales. The Town charges the Prairie for water purchases at the Town's regular water rates. The excess funds of the fund, after paying the Town and other related expenses (sales tax and sale drinking water charges) belongs to the Prairie Corporation.

TOWN OF MONROEVILLE, LOUISIANA

Balance Sheet  
Governmental Funds  
June 30, 2004  
With Totals for June 30, 2003

	2004						2003 Year Governmental Funds
	General	1997 Sales Tax Special Revenue	1992 Sales Tax Special Revenue	Street Improvements	Municipal Funds	Total Governmental Funds	
<b>ASSETS</b>							
Cash and interest-bearing demand deposits	\$ 164,364	\$ 75,006	\$ 775,000	\$ 67,660	\$ -	\$ 1,006,030	\$ 471,637
Interest-bearing time deposits	-	179,649	153,470	-	147,290	479,418	603,649
Receivables:							
Taxes and licenses	-	12,987	12,987	-	-	25,974	27,779
Interest	-	23,111	1,700	-	2,303	6,114	8,246
Due from other governmental units	13,136	-	-	-	-	13,136	13,403
Due from other funds	144,821	5,947	13,266	-	11,666	175,700	154,783
Prepaid items	4,833	-	-	-	-	4,833	4,602
Total assets	\$ 164,364	\$ 275,693	\$ 958,763	\$ 67,660	\$ 169,659	\$ 1,431,431	\$ 1,175,149
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 797	\$ 1,368	\$ -	\$ -	\$ -	\$ 2,165	\$ -
Due to other funds	4,888	48,283	63,692	-	-	116,863	93,778
Total liabilities	5,685	49,651	63,692	-	-	119,028	93,778
<b>Fund balances -</b>							
Reserved for prepaid items	4,833	-	-	-	-	4,833	4,602
Unreserved:							
Unassigned, unappropriated	144,761	229,882	472,568	67,660	169,659	1,113,971	1,066,769
Total fund balances	149,594	229,882	472,568	67,660	169,659	1,118,801	1,161,371
Total liabilities and fund balances	\$ 164,364	\$ 275,693	\$ 958,763	\$ 67,660	\$ 169,659	\$ 1,431,431	\$ 1,175,149

The accompanying notes are an integral part of this statement.

TOWN OF ARMAUDVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2004

Total fund balances for governmental funds at June 30, 2004 \$1,215,887

Total net assets reported for governmental activities in the statement of net assets in different locations:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 74,488	
Buildings and improvements, net of \$142,594 accumulated depreciation	136,149	
Infrastructure, net of \$128,207 accumulated depreciation	177,694	
Equipment and vehicles, net of \$86,297 accumulated depreciation	86,246	
Construction in progress	<u>5,280</u>	\$18,757

General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:

Compensated absences payable		(1,118)
------------------------------	--	---------

Governmental funds are not reported on the accrual basis of accounting and therefore, there are some revenue sources that were not reported in the funds. The additional accounts are:

Franchise taxes	\$ 77,289	
Occupational licenses	90	
Fees	1,079	
Miscellaneous	<u>1,211</u>	<u>79,669</u>
		<u>\$15,758</u>

Total net assets of governmental activities at June 30, 2004 \$1,234,645

The accompanying notes are an integral part of this statement.

TOWN OF ARMAUVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2004  
 With Totals for the Year Ended June 30, 2003

	2004						2003 Total
	General	1909	1901	Street Improvements	Nonmajor Funds	Total	
		Sales Tax Special Revenue	Sales Tax Special Revenue				
<b>Revenues:</b>							
Taxes	\$ 88,274	\$ 111,279	\$152,209	\$ -	\$ -	\$ 482,760	\$ 507,946
Licenses and permits	89,576	-	-	-	-	89,576	81,830
Intergovernmental	46,134	886	-	48,300	-	89,600	54,415
Fees and forfeits	18,580	-	-	-	-	18,580	17,147
Miscellaneous	28,140	4,375	10,188	430	2,697	46,800	48,014
<b>Total revenues</b>	<u>270,694</u>	<u>126,980</u>	<u>162,407</u>	<u>48,730</u>	<u>2,697</u>	<u>680,160</u>	<u>668,352</u>
<b>Expenditures:</b>							
Current -							
General government	184,500	4,447	4,387	-	-	179,540	177,046
Public safety							
Police	109,696	149,007	-	-	-	258,693	311,914
Fire	59,499	-	18,988	-	-	88,476	89,343
Parks and recreation	27,683	-	9,000	-	-	32,677	31,744
Capital outlay	38,529	-	-	47,144	-	115,673	91,388
<b>Total expenditures</b>	<u>369,807</u>	<u>153,454</u>	<u>22,375</u>	<u>47,144</u>	<u>-</u>	<u>605,120</u>	<u>641,415</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(99,113)</u>	<u>3,096</u>	<u>140,032</u>	<u>(52,156)</u>	<u>2,697</u>	<u>74,040</u>	<u>1,111</u>
<b>Other financing sources (uses):</b>							
Operating transfers in	120,000	-	-	61,811	12,800	194,611	111,603
Operating transfers out	-	-	(200,852)	-	-	(200,852)	(86,714)
<b>Total other financing sources (uses)</b>	<u>120,000</u>	<u>-</u>	<u>(200,852)</u>	<u>61,811</u>	<u>12,800</u>	<u>(3,441)</u>	<u>24,889</u>
<b>Net changes in fund balances</b>	<u>20,887</u>	<u>3,096</u>	<u>(60,820)</u>	<u>11,695</u>	<u>15,297</u>	<u>70,599</u>	<u>42,990</u>
<b>Fund balances, beginning</b>	<u>369,807</u>	<u>234,769</u>	<u>488,687</u>	<u>51,911</u>	<u>188,043</u>	<u>1,265,211</u>	<u>1,265,211</u>
<b>Fund balances, ending</b>	<u>\$ 390,694</u>	<u>\$ 237,865</u>	<u>\$ 427,867</u>	<u>\$ 63,606</u>	<u>\$ 203,340</u>	<u>\$ 1,335,810</u>	<u>\$ 1,308,201</u>

The accompanying notes are an integral part of this statement.

TOWN OF ARMAUDVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2004

Total net changes in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 31,518
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 133,498	
Depreciation expense for the year ended June 30, 2004	<u>(101,980)</u>	31,518
Governmental funds record long-term debt in the General Long- Term Debt Account Group as opposed to recording debt activity in the fund fund financial statements. However, in the statement of activities, the debt and related expenses are reported.		
		1,894
Governmental funds are reported on the modified accrual basis of accounting as opposed to the accrual basis of accounting. Therefore, there are additional accruals in the statement of activities.		
		1,890
Because governmental funds do not record fixed assets and accumulated depreciation, any assets disposed of with no selling price does not affect the statement of revenues, expenditures, and changes in fund balances. However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated.		
		<u>(733)</u>
Total changes in net assets at June 30, 2004 per Statement of Activities		<u>\$ 150,859</u>

The accompanying notes are an integral part of this statement.

TOWN OF ARNAUDVILLE, LOUISIANA

Statements of Net Assets  
Proprietary Fund  
June 30, 2004 and 2003

	<u>Utility Enterprise Fund</u>	
	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and interest-bearing demand deposits	\$ 98,266	\$ 81,619
Interest-bearing time deposits	366,349	728,328
Receivables:		
Accounts	63,173	69,266
Due from other funds	27,986	27,886
Due from other governmental units	3,201	4,317
Other	8,111	8,217
Prepaid items	8,149	9,233
Total current assets	<u>881,231</u>	<u>931,567</u>
<b>Noncurrent assets:</b>		
<b>Restricted assets -</b>		
Cash and interest-bearing demand deposits	462,057	68,460
Interest-bearing time deposits	89,908	82,869
Capital assets, net of accumulated depreciation	<u>1,316,251</u>	<u>1,132,616</u>
Total noncurrent assets	<u>1,868,217</u>	<u>1,471,945</u>
Total assets	<u>3,816,424</u>	<u>2,408,512</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	9,314	8,489
Due to other funds	71,378	72,111
Accrued liabilities	18,988	13,881
Payable from restricted assets -		
Revenue bonds	28,808	8,080
Due to others - water tower reserve	1,818	758
Customers' deposits	<u>32,848</u>	<u>34,581</u>
Total current liabilities	<u>181,312</u>	<u>138,799</u>
<b>Noncurrent liabilities:</b>		
Revenue bonds payable	<u>572,803</u>	<u>658,086</u>
Total liabilities	<u>653,115</u>	<u>796,785</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	1,182,251	1,066,616
Restricted for debt service	182,838	101,989
Unrestricted	<u>856,802</u>	<u>844,136</u>
Total net assets	<u>\$3,121,889</u>	<u>\$2,112,732</u>

The accompanying notes are an integral part of this statement.



**TOWN OF ARMAHDVILLE, LOUISIANA**

**Statements of Revenues, Expenses, and Changes in Fund Net Assets -  
Proprietary Fund  
For the Years Ended June 30, 2004 and 2003**

	<u>Utility Enterprise Fund</u>	
	<u>2004</u>	<u>2003</u>
<b>Operating revenues:</b>		
Charges for services -		
Gas charges	\$ 348,217	\$ 340,483
Water charges	189,338	175,288
Sewer service charges	86,968	70,790
Sanitation charges	800	886
Miscellaneous	<u>20,716</u>	<u>15,733</u>
Total operating revenues	<u>645,638</u>	<u>603,980</u>
<b>Operating expenses:</b>		
Salaries	178,869	194,702
Payroll taxes and retirement	18,475	14,052
Gas purchases	198,574	192,678
Repairs and maintenance	72,436	71,389
Professional fees	18,518	18,235
Bad debts	1,768	4,782
Telephones	2,654	4,323
Depreciation	81,380	81,888
Insurance	24,790	32,288
Water plant lease	238	238
Utilities	28,139	24,843
Fire department expenses	2,268	2,473
Office supplies	7,511	10,002
Miscellaneous	<u>7,808</u>	<u>11,184</u>
Total operating expenses	<u>649,536</u>	<u>672,737</u>
<b>Operating income</b>	<u>21,802</u>	<u>30,243</u>

(continued)

TOWN OF ARCADIVILLE, LOUISIANA

Statements of Revenues, Expenses, and Changes in Fund Net Assets (Continued)  
 Proprietary Fund  
 For the Years Ended June 30, 2004 and 2003

	Utility Enterprise Fund	
	2004	2003
Nonoperating revenues (expenses):		
Interest income	28,968	13,689
Ad valorem taxes	25,433	26,624
Interest expense	(12,583)	(8,680)
FEMA	-	6,784
Gain on sale of asset	308	-
Miscellaneous	1,098	-
Total nonoperating revenues	<u>39,234</u>	<u>48,217</u>
Income before transfers	<u>63,121</u>	<u>76,536</u>
Operating transfers in (out):		
Transfer from FMS Sales Tax Fund	28,000	-
Transfer to General Fund	(60,000)	(48,080)
Transfer to One Percent Budget Fund	(12,800)	(11,678)
Total operating transfers out	<u>(44,800)</u>	<u>(59,758)</u>
Change in net assets	18,321	16,778
Net assets, beginning	<u>2,112,752</u>	<u>2,095,974</u>
Net assets, ending	<u>\$2,331,073</u>	<u>\$2,112,752</u>

The accompanying notes are an integral part of this statement.

TOWN OF ARNOLDVILLE, LOUISIANA

Statements of Cash Flows  
Proprietary Fund  
For the Years Ended June 30, 2004 and 2003

	<u>Utility Enterprise Fund</u>	
	<u>2004</u>	<u>2003</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$441,299	\$392,724
Payments to suppliers	(346,645)	(378,560)
Payments to employees	(173,738)	(168,738)
Net cash provided by operating activities	<u>120,916</u>	<u>45,426</u>
<b>Cash flows from noncapital financing activities:</b>		
Cash disbursed to other funds	(51,541)	(147,500)
Ad valorem tax receipts	25,431	26,624
Miscellaneous receipts	1,338	7,878
Net cash used by noncapital financing activities	<u>(24,772)</u>	<u>(112,998)</u>
<b>Cash flows from capital and related financing activities:</b>		
Proceeds from long-term debt	490,000	-
Principal paid on revenue bonds and notes payable	(6,000)	(6,000)
Interest and fiscal charges paid on revenue bonds and notes payable	(13,565)	(8,000)
Increase (decrease) in customer deposits payable	(1,242)	1,988
Acquisition of property, plant and equipment	(74,316)	(77,612)
Net cash provided by (used by) capital and related financing activities	<u>394,877</u>	<u>(88,624)</u>
<b>Cash flows from investing activities:</b>		
Purchase of interest-bearing time deposits	(20,861)	(8,283)
Interest on interest-bearing deposits	20,861	13,868
Net cash provided by (used by) investing activities	<u>0</u>	<u>(4,415)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>490,917</b>	<b>(92,287)</b>
Cash and cash equivalents, beginning of period	<u>146,898</u>	<u>338,185</u>
Cash and cash equivalents, end of period	<u><b>\$637,815</b></u>	<u><b>\$245,898</b></u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statements of Cash Flow  
 Proprietary Fund (Continued)  
 For the Years Ended June 30, 2004 and 2003

	Utility Enterprise Fund	
	2004	2003
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 21,902	\$ 30,213
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	81,121	81,888
Changes in current assets and liabilities:		
Decrease (increase) in accounts receivable	3,329	(4,407)
Decrease (increase) in other receivables	993	(1,155)
Decrease (increase) in prepaid items	1,978	(897)
Increase (decrease) in accounts payable	(295)	1,512
Increase (decrease) in accrued liabilities	3,082	(13,535)
Total adjustments	<u>108,938</u>	<u>64,596</u>
Net cash provided by operating activities	<u>\$ 126,840</u>	<u>\$ 94,811</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 83,630	\$ 181,212
Cash - restricted	<u>68,488</u>	<u>57,143</u>
Total cash and cash equivalents	<u>148,098</u>	<u>238,357</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	99,286	83,630
Cash - restricted	<u>492,057</u>	<u>68,488</u>
Total cash and cash equivalents	<u>592,343</u>	<u>148,098</u>
Net increase (decrease)	<u>\$ 466,173</u>	<u>\$ (92,247)</u>

The accompanying notes are an integral part of this statement.

TOWN OF ARNAUDVILLE, LOUISIANA

Statements of Fiduciary Net Assets  
 Public des Fontaines Water Corporation  
 June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
Cash	\$2,090	\$ 1,319
Accounts receivable	<u>4,351</u>	<u>4,884</u>
Total assets	<u>\$6,441</u>	<u>\$ 6,203</u>
<b>LIABILITIES</b>		
Sales tax payable	\$ 138	\$ 160
Due to other	3,171	3,372
Due to water corporation	3,794	4,568
Customer meter deposits payable	<u>339</u>	<u>308</u>
Total liabilities	<u>\$7,442</u>	<u>\$ 8,408</u>

The accompanying notes are an integral part of this statement.

TOWN OF ARNAUDVILLE, LOUISIANA  
 Statements of Changes in Fiduciary Net Assets  
 Prairie des Fontaines Water Corporation  
 For the Years Ended June 30, 2004 and 2003

	2004	2003
Fiduciary net assets at July 1	<u>\$ 4,168</u>	<u>\$ 4,317</u>
<b>Collections:</b>		
Water revenues	62,387	58,515
Connection fees	180	66
Meter installations	2,450	1,600
Fees/late	<u>1,173</u>	<u>1,499</u>
Total collections	<u>66,190</u>	<u>61,700</u>
 Total	 <u>70,358</u>	 <u>66,017</u>
<b>Distributions:</b>		
Water purchases from Town	49,873	36,878
Meter installation expenses	2,450	1,600
Other charges	20	11
Transfer to Prairie des Fontaines Water Corporation	<u>11,621</u>	<u>26,338</u>
Total distributions	<u>63,964</u>	<u>64,827</u>
Fiduciary net assets at June 30 (due to water corporation)	<u>\$ 6,394</u>	<u>\$ 1,190</u>

The accompanying notes are an integral part of this statement.

## TOWN OF ARMAUVILLE, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Armauville (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Although the Town has the option to apply FASB pronouncements issued after that date, the Town has chosen not to. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

##### A. Financial Reporting Entity

The Town of Armauville was incorporated in 1909 under the provisions of the Louisiana Act. The Town operates under the Mayor-Board of Aldermen form of government.

This report includes all funds that are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, one governmental organization is not part of the Town and is thus excluded from the accompanying financial statements. This organization is the Armauville Volunteer Fire Department. Although the Town does provide facilities and some of their financing, no control is exercised over their operations.

##### B. Basis of Presentation

###### Government-Wide Financial Statements (GWFS)

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

## TOWN OF ARNAUDVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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

#### Fund Financial Statements

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

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

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 1% percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 1 percent of the corresponding total for all governmental and enterprise funds combined.

Several funds of the Town are considered to be major funds and are described below:

#### 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.



TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Special Revenue Funds

1969 Sales Tax Fund -

This 1969 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

1982 Sales Tax Fund -

The 1982 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

Capital Projects Fund -

Street Improvements Fund -

The Street Improvements Fund is used to account for the financing and improvement of certain streets within the town.

Proprietary Fund -

Enterprise Fund -

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from charges for services. All other revenues are reported as nonoperating.

The Town's non-major fund is described below:

One Percent Budget Set-Aside Fund -

The One Percent Budget Set-Aside Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

TOWN OF ARMAVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fiduciary Fund Type -

Agency Fund -

Prairie des Femmes Water Corporation Fund

This fund is used to account for the receipts and disbursements of the Prairie Water Corporation. The Town agreed to extend water to the Prairie Corporation. The Town does the billing and collecting of the Prairie's water sales. The Town charges the Prairie for water purchases at the Town's regular water rates. The excess funds of the fund, after paying the Town and other related expenses (sales tax and safe drinking water charges) belongs to the Prairie Corporation.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

## TOWN OF ARNAUDVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

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

#### D. Assets, Liabilities and Equity

##### Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

##### Interfund receivables and payables

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

## TOWN OF ARMAUDVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. An allowance for uncollectible ad valorem taxes was recorded at an amount equal to the receivable balance, because collection is unlikely. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month are estimated and recorded at June 30, 2004.

#### Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 years
Utility system and improvements	10-50 years
Infrastructure	40 years

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

Prior to the adoption of GASB 34, it was the Town's policy not to record infrastructures; therefore, the Town did not have a complete listing of infrastructure. However, through the years, a partial list of infrastructure was maintained. The Town has opted not to do a detailed analysis of existing infrastructure. Rather, we will include the infrastructure for which we do have cost information available, and begin accumulating infrastructure information prospectively.

## TOWN OF ARNAUDVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility water deposits.

#### Long-term debt

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

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

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

#### Compensated Absences

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

Vacation leave is earned at the rate of five days to twenty days per year. Vacation leave earned does not accumulate from year to year. However, all vacation leave accumulated at the time of separation is payable.

Sick leave is earned at the rate of one day per month not to exceed ten days in one year. Employees are allowed to accumulate and carry forward up to forty days of sick leave from year to year. Accumulated sick leave is not payable at time of separation.

At June 30, 2004, vested leave benefits have been accrued as required by GASB statement No. 36 "Accounting for Compensated Absences."

## TOWN OF ARMALEEVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Equity Classifications

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

- a. *Invested in capital assets, net of related debt* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net assets* – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net assets* – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

#### E. Budget and Budgetary Accounting

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

1. The Town Clerk submits, no later than 15 days prior to the beginning of each fiscal year, to the Mayor and Board of Aldermen a proposed operating budget.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.

## TOWN OF ARMAUVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

#### F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town as an extension of formal budgetary integration in the funds.

#### G. Capitalization of Interest Expense

It is the policy of the Town of Armauville to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2004, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

#### H. Use of Estimates

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

#### (2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessors of St. Martin and St. Landry Parishes. Town property tax revenues are budgeted in the year billed.

TOWN OF ARMAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2004, taxes of 12.76 mills were levied on property with assessed valuations totaling \$3,813,215 and were dedicated as follows:

General corporate purposes	6.31 mills
Utility system	6.45 mills

Total taxes levied were \$43,928. Taxes receivable at June 30, 2004 was \$5,176. The allowance for uncollectible accounts was \$5,276 at June 30, 2004; therefore, the net taxes receivable is \$0 at June 30, 2004.

(3) **Sales and Use Tax**

Proceeds of a 1 percent sales and use tax (accounted for in the 1999 Sales Tax Fund - a special revenue fund) levied by the Town of Armauville (2004 collections \$151,219) are dedicated to the following purposes:

Constructing, acquiring, improving and maintaining police department stations and equipment, garbage and waste disposal facilities, streets, drains and drainage facilities; compensating policemen; maintaining sewers and sewerage disposal works; and purchasing and acquiring the necessary equipment and furnishings for the aforesaid public works, improvements and facilities.

Proceeds of a 1 percent sales and use tax (accounted for in the 1982 Sales Tax Fund - a special revenue fund) levied by the Town of Armauville (2004 collections \$122,128) are dedicated to the following purposes:

Constructing, acquiring, improving, operating and/or maintaining public streets, bridges, sidewalks, drainage facilities, recreational facilities and garbage and waste disposal facilities; and purchasing and acquiring the necessary land, equipment, and furnishings for any of the aforesaid public works, improvements and facilities.

(4) **Cash and Interest-Bearing Deposits and Investments**

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Town had cash and interest-bearing deposits (book balances) totaling \$1,851,713 as follows:

Demand deposits	\$1,341,180
Time deposits	<u>1,218,583</u>
Total	<u>\$1,851,713</u>



TOWN OF ARMAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Deposit balances (bank balances) at June 30, 2004 were secured as follows:

Bank balances	<u>\$ 1,740,830</u>
Federal deposit insurance	\$ 382,654
Pledged securities (Category 3)	<u>1,400,186</u>
Total FDIC insurance and pledged securities	<u>\$ 3,523,670</u>

Pledged securities in Category 3 include unsecured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 28:3229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

(5) Receivables

Receivables at June 30, 2004 of \$128,602 consist of the following:

	General	1949 Sales Tax	1982 Sales Tax	Nonmajor Funds	Utility	Total
Accounts	\$ -	\$ -	\$ -	\$ -	\$ 79,878	\$ 79,878
Allowance	-	-	-	-	(12,303)	(12,303)
Taxes:						
Sales tax	-	13,547	13,547	-	-	27,094
Franchise tax	17,269	-	-	-	-	17,269
Interest	-	3,112	1,790	2,303	7,731	13,946
Fees, licenses, etc.	<u>3,832</u>	-	-	-	181	3,913
<b>Totals</b>	<u>\$ 28,109</u>	<u>\$ 16,659</u>	<u>\$ 15,347</u>	<u>\$ 2,303</u>	<u>\$ 75,187</u>	<u>\$ 128,602</u>

TOWN OF ARMALEDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2004 consisted of the following:

General Fund:

Amount due from the State of Louisiana for video police receipts for the months of May and June 2004.	\$ 3,478
Amount due from St. Landry Parish Government for slot machine receipts for the month of June, 2004.	2,122
Amount due from Department of Transportation and Development for grant funding for January 1 through June 30, 2004.	1,693
Amount due from the State of Louisiana for boat tax revenues earned during fiscal year ending June 30, 2004.	1,604
Amount due from St. Landry Housing Authority for payment in lieu of taxes	<u>3,383</u>
	12,280

Utility Fund:

Amount due from St. Landry Housing Authority for payment in lieu of taxes	<u>3,321</u>
	<u>\$ 15,481</u>

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at June 30, 2004:

Revenue bond sinking and interest redemption fund	\$ 18,718
Revenue bond reserve fund	19,949
Revenue bond capital additions and contingencies fund	46,223
Public improvement bonds - construction	480,800
Water tower reserve	1,816
Customer deposits	<u>63,840</u>
Total restricted assets	<u>\$ 1,131,346</u>

TOWN OF ARDENVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows:

	Balance 8/31/03	Additions	Deletions	Balance 8/31/04
<b>Governmental activities:</b>				
Land	\$ 74,498	\$ -	\$ -	\$ 74,498
Buildings and improvements	284,743	1,711	-	286,454
Infrastructure	946,794	97,147	-	1,043,941
Equipment and vehicles	134,390	27,378	(9,183)	152,585
Construction in progress	-	1,268	-	1,268
Totals	<u>1,439,524</u>	<u>177,498</u>	<u>(9,183)</u>	<u>1,614,839</u>
Less accumulated depreciation				
Buildings and improvements	133,435	9,138	-	142,573
Infrastructure	111,685	14,524	-	126,209
Equipment and vehicles	79,807	14,842	(8,452)	86,197
Total accumulated depreciation	<u>324,927</u>	<u>38,504</u>	<u>(8,452)</u>	<u>354,979</u>
Governmental activities, capital assets, net	<u>\$ 1,114,597</u>	<u>\$ 138,994</u>	<u>\$ (17,635)</u>	<u>\$ 1,235,952</u>
<b>Business-type activities:</b>				
Land	\$ 31,200	\$ 1,973	\$ -	\$ 33,173
Plant and equipment - gas	586,872	-	-	586,872
Plant and equipment - water system	713,173	-	-	713,173
Plant and equipment - sewer system	1,451,216	10,884	-	1,462,100
Plant and equipment - sanitation system	1,508	-	(1,508)	-
Autos and office equipment	87,628	61,949	-	149,577
Totals	<u>2,869,697</u>	<u>74,806</u>	<u>(1,508)</u>	<u>2,942,995</u>
Less accumulated depreciation				
Plant and equipment - gas	464,164	\$ 12,285	-	476,449
Plant and equipment - water system	371,486	28,939	-	400,425
Plant and equipment - sewer system	666,124	38,936	-	705,060
Plant and equipment - sanitation system	1,180	-	(1,180)	-
Autos and office equipment	47,547	18,118	-	65,665
Total accumulated depreciation	<u>1,550,601</u>	<u>69,338</u>	<u>(1,180)</u>	<u>1,618,759</u>
Business-type activities, capital assets, net	<u>\$ 1,319,096</u>	<u>\$ 5,468</u>	<u>\$ (1,628)</u>	<u>\$ 1,322,935</u>

TOWN OF ARBAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 9,099
Pollux	9,647
Streets	14,986
Park and recreation	4,971
Total depreciation expense	<u>\$ 38,703</u>

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2004:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 21,813	\$24,663	\$46,476
Sales tax	-	724	724
Accrued salaries	2,384	1,794	4,178
Payroll withholdings	1,329	134	1,463
Due to others - water tower system	-	1,896	1,814
Accrued interest payable	-	4,265	4,265
Compensated absences	4,128	12,965	17,093
Totals	<u>\$ 33,754</u>	<u>\$48,617</u>	<u>\$82,371</u>

(10) Long-Term Debt

The following is a summary of general long-term obligation transactions of the Town for the year ended June 30, 2004. This obligation relates to business-type activities, and the payments are made from the enterprise fund. In the past, payments on bonds that pertained to the Town's governmental activities were made by the debt service funds, and those that pertained to the business-type activities were made by the enterprise fund.

Bonds payable at June 30, 2003	\$166,000
Additions	480,000
Reductions	<u>(480,000)</u>
Bonds payable at June 30, 2004	<u>\$166,000</u>

**TOWN OF ARBAUDVILLE, LOUISIANA**

**Notes to Basic Financial Statements (Continued)**

Bonds payable at June 30, 2004 is comprised of the following:

**Revenue bonds:**

\$141,000 Utility bonds dated 3/24/82; due in annual installments of \$6,000 to \$13,000 through 3/24/21; interest at 5.00 percent	<b>\$ 140,000</b>
--	-------------------

**Public Improvement Bonds:**

\$400,000 Public Improvement bonds dated 8/20/04; due in annual installments of \$22,000 to \$24,000 through 5/31/19; interest at 4.00 percent	<u>400,000</u>
	<b><u>\$ 140,000</u></b>

The annual requirements to amortize the outstanding debt as of June 30, 2004 are as follows:

Year Ending June 30,	Principal	Interest	Total
2005	\$28,000	\$21,800	\$49,800
2006	28,000	20,900	48,900
2007	28,000	20,200	48,200
2008	30,000	19,500	49,500
2009	30,000	18,710	48,710
2010-2014	170,000	75,800	245,800
2015-2019	289,000	34,630	345,630
2020-2022	<u>77,000</u>	<u>3,790</u>	<u>80,790</u>
	<b><u>\$1,200,000</u></b>	<b><u>\$217,090</u></b>	<b><u>\$1,717,090</u></b>

**(11) Flow of Funds: Restrictions on Use – Utilities Revenue**

- A. Under the terms of the bond indenture on outstanding utility revenue bonds dated March 24, 1982, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Utility System are pledged and dedicated to the retirement of said bonds and certificates and are to be set aside into the following funds:

Each month there will be set aside into a "Bond and Interest Redemption Fund", also called the "Sinking Fund", an amount consisting of 1/12 of the next maturing installment of principal and interest on the outstanding certificates. Such transfers must be made on or before the 20th day of each month to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Five percent (5%) of the amount to be paid into the Bond and Interest Redemption Fund each month must be deposited into a "Bond Reserve Fund" until there is on deposit an amount equal to \$10,000. Also, there will be set aside into a "Capital Additions and Contingencies Fund" \$118 per month. Moneys in this account may be used for the making of extraordinary repairs or replacements to the systems which are necessary to keep the systems in operating condition and for which money is not available as a maintenance and operation expense.

- B. For the payment of the principal and the interest on the Public Improvement Bonds (2004), a Sinking Fund must be established and maintained with the regularly designated fiscal agent bank of the Town. The Town shall deposit in said Sinking Fund at least three (3) days in advance of the date on which each payment of principal and/or interest on the Bonds falls due, funds fully sufficient to promptly pay the maturing principal and/or interest as falling due on such date.

The Public Improvement Bonds (2004) have no additional reserve and contingency fund requirements.

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

(12) Pension Plans

Substantially all employees of the Town, are members of one of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees 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. Employees of the municipality are members of Plan A.

## TOWN OF ARNOLDVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

All permanent employees working at least 30 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 18 years of creditable service, at or after age 35 with at least 25 years of creditable service, or at any age with at least 34 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 74% 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 Employees Retirement System of Louisiana, 7817 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 621-4810.

**Funding Policy** - Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The rate was 11.0% of annual covered payroll. Contributions to the System also include one-fourth of 1% (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 are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System under Plan A for the years ending June 30, 2004, 2003, and 2002 were \$30,187, \$20,090 and \$17,731, respectively, equal to the required contributions for each year.

#### 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 54 with at least 20 years of creditable service or at or after age 35 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 1 1/3% of their final-average salary for each year of creditable service. Final average salary is the employee's average salary over 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 by state statute.

TOWN OF ARMADEVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 70809-2158, or by calling (225) 829-3411.

**Funding Policy:** Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 05.15% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:1000, 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 contributions to the System for the years ending June 30, 2004, 2003, and 2002 were \$17,947, \$10,108, and \$18,188, respectively, equal to the required contributions for each year.

(17) **Segment Information for the Enterprise Fund**

The Town of ArmaDeville maintains one enterprise fund with four departments, which provides gas, water, sewerage and sanitation (no a limited basic) services. Segment information for the year ended June 30, 2004 was as follows:

	<u>Gas</u>	<u>Water</u>	<u>Sewerage</u>	<u>Sanitation</u>	<u>Total</u>
	<u>Department</u>	<u>Department</u>	<u>Department</u>	<u>Department</u>	<u>Enterprise</u>
					<u>Fund</u>
Operating revenues	\$ 336,601	\$ 189,648	\$ 88,586	\$ 803	\$645,638
Operating expenses	<u>348,891</u>	<u>149,413</u>	<u>118,938</u>	<u>2,452</u>	<u>619,738</u>
Operating income (loss)	\$ <u>7,710</u>	\$ <u>39,235</u>	\$ <u>(30,352)</u>	\$ <u>(1,649)</u>	\$ <u>25,900</u>



TOWN OF ARBAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) **Compensation of Town Officials**

A detail of compensation paid to the Mayor, Chief of Police, and Board of Aldermen for the year ended June 30, 2004 follows:

Kathy Richard, Mayor	\$13,456
Richard Hlirt, Chief of Police	31,886
Aldermen:	
Chad Hebert	4,200
Elvin Lagrange	4,200
Ricky Lagrange	4,200
Kerri Olivier	4,200
John Ray Taylor	4,200
	<u>\$67,842</u>

(15) **Pending Litigation**

The Town is a defendant in three lawsuits. Management is of the opinion that monetary damages would be minimal, in the event that the Town is unsuccessful in its defenses. No accrual was recorded at June 30, 2004.

(16) **Construction Project**

The Town was involved with one construction project at June 30, 2004. The project is the Archuleta Project, which is to be used to develop strategic long range plans for the Town. The expected cost is \$58,000, and the expected date of completion is June of 2005.

(17) **Risk Management**

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(18) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2004:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Major Funds:</b>		
<b>Governmental Funds:</b>		
General Fund	\$ 114,525	\$ -
1989 Sales Tax Special Revenue Fund	-	41,342
1982 Sales Tax Special Revenue Fund	12,256	68,080
<b>Enterprise Fund:</b>		
Utility Fund	27,866	65,591
<b>Non-major Funds</b>	<u>13,866</u>	<u>-</u>
<b>Total</b>	<u>\$ 168,453</u>	<u>\$ 168,453</u>

Transfers are recorded in the year in which they were budgeted. However, the amounts are not always paid in that same year; therefore, ending balances are noted above. These balances are expected to be paid within the next fiscal year.

B. Interfund transfers

Interfund transfers consisted of the following at June 30, 2004:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
<b>Major Funds:</b>		
<b>Governmental Funds:</b>		
General Fund	\$ 120,000	\$ -
1982 Sales Tax Special Revenue Fund	-	143,852
Street Improvements Fund	63,852	-
<b>Enterprise Fund:</b>		
Utility Fund	20,000	72,800
<b>Non-major Funds</b>	<u>12,800</u>	<u>-</u>
<b>Total</b>	<u>\$ 216,652</u>	<u>\$ 216,652</u>

Transfers made to the general fund are for the normal operations of the Town. The amounts each fund will transfer are calculated as part of the budget preparation process. These amounts reflect each fund's proportionate share of expenses paid out of the general fund.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**TOWN OF ARMALEEVILLE, LOUISIANA**  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2004  
With Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003
	Original Budget	Final Budget	Actual		
<b>Revenues:</b>					
Taxes	\$ 50,000	\$ 50,000	\$ 54,214	\$ (1,180)	\$ 49,600
Licenses and permits	11,000	11,250	90,079	10,124	83,600
Intergovernmental	30,000	31,980	44,111	8,111	38,620
Fees and forfeits	10,000	18,317	34,540	(1,977)	17,147
Indefinite	10,000	10,000	38,140	8,140	23,800
<b>Total revenues</b>	<u>111,000</u>	<u>132,527</u>	<u>271,134</u>	<u>26,560</u>	<u>204,767</u>
<b>Expenditures:</b>					
General government	163,821	166,209	164,609	1,790	145,470
Public safety - police	113,308	111,217	109,296	2,941	96,600
Highways and streets	10,780	10,000	20,074	7,269	10,283
Parks and recreation	10,643	17,000	27,043	(9,871)	18,234
Capital outlay	23,000	20,700	20,340	311	18,660
<b>Total expenditures</b>	<u>321,552</u>	<u>325,126</u>	<u>341,362</u>	<u>3,480</u>	<u>319,847</u>
<b>Deficiency of revenues     over expenditures</b>	<u>(110,552)</u>	<u>(192,600)</u>	<u>(70,228)</u>	<u>(30,840)</u>	<u>(115,080)</u>
<b>Other financing sources:</b>					
Transfers from FIRE State Tax Fund	60,000	60,000	60,000	-	60,000
Transfers from One Percent Set-Aside	-	-	-	-	724
Transfers from Utility Fund	60,000	60,000	60,000	-	60,000
<b>Total other financing sources</b>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>120,724</u>
<b>Net change in fund balances</b>	<u>(90,552)</u>	<u>(172,600)</u>	<u>(121,228)</u>	<u>(30,840)</u>	<u>(94,356)</u>
<b>Fund balance, beginning</b>	<u>231,101</u>	<u>404,079</u>	<u>425,070</u>	<u>-</u>	<u>310,414</u>
<b>Fund balance, ending</b>	<u>140,549</u>	<u>231,479</u>	<u>303,842</u>	<u>(30,840)</u>	<u>216,058</u>

**TOWN OF ARMADALEVILLE, LOUISIANA**  
**1998 Sales Tax Special Revenue Fund**

Budgetary Comparison Schedule  
 For the Year Ended June 30, 2004  
 With Actual Amounts for the Year Ended June 30, 2000

	2004			Variance with Final Budget Positive	
	Original Budget	Final Budget	Actual	(Negative)	(2001)
<b>Revenues:</b>					
Taxes	\$ 110,000	\$ 110,000	\$ 110,289	\$ 289	\$ 114,148
Intergovernmental -					
State revenue sharing	133	133	104	(29)	134
Miscellaneous - interest and other	5,885	5,885	9,231	3,346	5,836
Total revenues	<u>121,818</u>	<u>121,818</u>	<u>129,624</u>	<u>7,807</u>	<u>135,118</u>
<b>Expenditures:</b>					
General government -					
Collection fees	1,400	1,400	1,437	37	1,242
Professional fees	5,285	5,285	5,828	543	5,133
Total general government	<u>6,685</u>	<u>6,685</u>	<u>7,265</u>	<u>580</u>	<u>6,375</u>
Public Safety -					
Police					
Salaries	111,900	111,900	111,837	(63)	109,247
Worker's compensation	11,800	11,800	9,628	(2,172)	9,234
Payroll taxes and retirement	20,800	20,800	20,383	(417)	11,800
Miscellaneous	200	-	-	-	-
Total public safety	<u>144,700</u>	<u>144,500</u>	<u>141,837</u>	<u>(200)</u>	<u>131,281</u>
Total expenditures	<u>171,884</u>	<u>171,884</u>	<u>171,484</u>	<u>(400)</u>	<u>141,763</u>
Net change in fund balance	(50,066)	(50,066)	5,896	29,207	9,355
Fund balance, beginning	220,185	220,285	220,285	-	215,424
Fund balance, ending	<u>\$ 169,819</u>	<u>\$ 169,679</u>	<u>\$ 226,181</u>	<u>\$ 79,502</u>	<u>\$ 224,779</u>

STATE OF MISSISSIPPI, LOUISIANA  
1993 State Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2004  
With Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Fund Budget Positive (Negative)	2003
	Original Budget	Final Budget	Actual		
<b>Revenues:</b>					
Taxes	\$111,000	\$103,000	\$111,139	\$ 8,139	\$111,140
Miscellaneous - interest and other	12,700	12,700	11,188	(1,512)	11,899
Total revenues	<u>123,700</u>	<u>115,700</u>	<u>122,327</u>	<u>6,627</u>	<u>123,039</u>
<b>Expenditures:</b>					
General government -					
Collection fees	1,400	1,400	1,418	18	1,343
Professional fees	3,000	3,000	4,030	1,030	4,110
Miscellaneous	1,200	1,200	1,110	90	964
Total general government	<u>5,600</u>	<u>5,600</u>	<u>6,558</u>	<u>958</u>	<u>6,417</u>
Highway and streets -					
Curbs - street lighting	15,000	15,000	15,001	1	15,700
Culture and recreation -					
Park utilities	2,000	2,000	2,006	6	2,182
Supplies	4,200	4,200	3,826	374	4,198
Total culture and recreation	<u>6,200</u>	<u>6,200</u>	<u>5,832</u>	<u>368</u>	<u>6,380</u>
Capital outlay -					
Street equipment	1,200	-	-	-	1,200
Total expenditures	<u>13,000</u>	<u>11,800</u>	<u>12,391</u>	<u>391</u>	<u>13,097</u>
Excess of revenues over expenditures	<u>110,700</u>	<u>103,900</u>	<u>110,000</u>	<u>6,000</u>	<u>109,942</u>
Other financing uses:					
Transfers to Utility Fund	(20,000)	(20,000)	(20,000)	-	-
Transfers to River Improvement Fund	-	(61,833)	(60,852)	-	-
Transfers to General Fund	(60,000)	(60,000)	(60,000)	-	(60,000)
Total other financing uses	<u>(80,000)</u>	<u>(141,833)</u>	<u>(140,852)</u>	<u>-</u>	<u>(120,000)</u>
Net change in fund balance	30,700	(37,933)	(30,852)	16,200	89,942
Fund balance, beginning	481,402	480,887	480,407	-	421,183
Fund balance, ending	<u>\$512,102</u>	<u>\$442,954</u>	<u>\$449,555</u>	<u>\$ 66,600</u>	<u>\$511,125</u>

TOWN OF ARNOLDVILLE, LOUISIANA  
Street Improvements Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2004  
With Actual Amounts for the Year Ended June 30, 2000

	2004			Variance with Final Budget Positive (Negative)	2000
	Original Budget	Final Budget	Actual		
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ 41,976	\$ 41,976	\$ -	\$ 21,640
Miscellaneous - interest & other	298	298	450	(80)	798
Total revenues	298	42,274	42,426	(80)	22,438
<b>Expenditures:</b>					
Capital outlay	25,000	24,853	22,546	1,296	31,528
Deficiency of revenues over expenditures	(24,702)	(23,883)	(22,350)	1,626	(49,090)
<b>Other financing sources:</b>					
Transfer from 1982 Sales Tax Fund	-	60,853	60,853	-	-
Total other financing sources	-	60,853	60,853	-	-
Net change in fund balance	(24,702)	3,970	11,499	1,626	(49,090)
<b>Fund balance, beginning</b>	81,493	81,873	81,873	-	81,883
Residual equity transfer	-	-	-	-	5,051
<b>Fund balance, ending</b>	<u>\$ 56,791</u>	<u>\$ 85,843</u>	<u>\$ 93,372</u>	<u>\$ 1,626</u>	<u>\$ 37,844</u>

## OTHER SUPPLEMENTARY INFORMATION



**TOWN OF ARLANDER, LOUISIANA**  
**General Fund**

**Budgetary Comparison Schedule - Revenues**  
**For the Year Ended June 30, 2004**  
**With Actual Amounts for the Year Ended June 30, 2000**

	2004				2000
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	
<b>Taxes:</b>					
Ad valorem	\$ 24,000	\$ 24,000	\$ 20,982	\$ 3,018	\$ 23,750
Payment in lieu of taxes	4,200	5,204	2,490	(4,014)	4,220
Transfer - electric, tv, etc.	82,000	88,626	89,708	882	81,572
<b>Total taxes</b>	<u>90,200</u>	<u>97,830</u>	<u>93,200</u>	<u>(4,630)</u>	<u>89,542</u>
<b>Occupational license</b>	<u>71,000</u>	<u>75,200</u>	<u>90,574</u>	<u>15,374</u>	<u>83,800</u>
<b>Intergovernmental:</b>					
State of Louisiana -					
Highway maintenance revenue	3,300	3,300	3,306	6	3,306
Beer taxes	6,000	8,140	6,418	(1,722)	5,410
Paper machines	21,800	24,810	24,407	(403)	20,880
<b>Total intergovernmental</b>	<u>31,100</u>	<u>36,250</u>	<u>34,131</u>	<u>(2,119)</u>	<u>29,602</u>
<b>Fees and forfeits</b>	<u>15,000</u>	<u>18,117</u>	<u>16,380</u>	<u>(1,737)</u>	<u>15,147</u>
<b>Miscellaneous:</b>					
Sales of equipment	-	-	-	-	915
Miscellaneous	3,000	3,000	11,171	8,171	6,882
Recreation dept. income	12,000	12,000	12,188	188	12,718
Donations	3,000	3,000	4,345	1,345	2,941
<b>Total miscellaneous</b>	<u>19,000</u>	<u>19,000</u>	<u>28,144</u>	<u>9,144</u>	<u>23,656</u>
<b>Total revenues</b>	<u>227,800</u>	<u>239,887</u>	<u>277,438</u>	<u>37,551</u>	<u>219,951</u>

TOWN OF ARMALEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2004  
With Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Final Budget (Positive / Negative)	2003
	Original Budget	Final Budget	Actual		
<b>Current:</b>					
<b>General government -</b>					
Council salaries	\$ 21,000	\$ 18,715	\$ 21,000	\$ (2,285)	\$ 18,576
Mayor's compensation	15,450	15,959	15,450	(1,500)	8,226
Clerk and other salaries	44,900	21,977	29,677	15,100	48,701
Payroll taxes and retirement	8,412	8,412	9,340	(911)	5,883
Worker's compensation insurance	1,000	1,000	1,629	(629)	994
Insurance	15,100	18,100	21,457	(3,357)	18,688
Utilities	7,000	7,000	9,000	(2,000)	7,247
Telephone	4,250	1,950	1,250	299	1,109
Professional fees	18,800	15,800	15,800	301	18,877
Computer related fees and software	1,200	1,700	4,827	(1,117)	4,214
Office supplies	1,800	1,500	7,800	(1,500)	5,708
Meeting and convention expense	7,500	5,500	6,400	(600)	3,713
Travel	1,200	1,200	1,427	(227)	1,384
Fees	1,500	1,500	4,828	(3,328)	2,864
Tax and license fees	850	850	850	0	855
Economic develop./area beautification	3,000	5,000	4,882	518	289
Coffee expense	1,712	1,712	1,523	189	1,488
Cement/concrete	-	500	498	50	2,747
Miscellaneous	4,150	2,100	5,629	(3,529)	3,815
Miscellaneous testing	1,500	-	-	-	1,288
City Hall & Post Office building	1,500	1,800	2,874	(124)	1,382
<b>Total general government</b>	<b>167,821</b>	<b>186,282</b>	<b>189,738</b>	<b>1,736</b>	<b>195,476</b>
<b>Public utility -</b>					
Police					
Salaries - dispatchers	44,288	41,523	42,280	(697)	27,528
Pay taxes and retirement	7,215	7,215	8,770	1,555	4,887
Worker's compensation insurance	500	500	826	(326)	405
Supplies	10,500	11,000	9,816	1,684	8,721
Instructors meals & medical	2,000	1,750	1,181	819	1,626
Utilities	1,700	1,700	1,628	72	1,480
Auto expense	11,000	15,800	18,680	(940)	10,688
Telephone	5,500	5,000	7,999	1,801	5,487
NCR computer services	700	800	820	(120)	-
Repairs and maintenance	9,000	5,000	3,982	(498)	5,428
Miscellaneous	1,000	1,400	1,281	119	1,229
Training	4,000	3,800	2,418	1,382	552
<b>Total police</b>	<b>115,503</b>	<b>113,523</b>	<b>109,586</b>	<b>1,941</b>	<b>88,881</b>

(continued)

**TOWN OF MONROE S.S., LOUISIANA**  
**General Fund**

**Budgetary Comparison Schedule - Expenditures (Continued)**  
**For the Year Ended June 30, 2004**  
**With Actual Amounts for the Year Ended June 30, 2003**

	2004			Variance with Final Budget Positive (Negative)	2003
	Original Budget	Final Budget	Actual		
<b>Highways and streets</b>					
Salaries	24,720	20,880	22,890	2,010	22,890
Workers' compensation insurance	1,840	1,840	-	1,840	-
Fyrefill taxes and retirement	2,720	2,720	2,489	231	1,648
Equip. and street maintenance	1,800	8,900	1,118	3,080	4,282
<b>Total highways and streets</b>	<u>31,180</u>	<u>34,340</u>	<u>26,497</u>	<u>7,569</u>	<u>31,820</u>
<b>Parks and recreation</b>					
Coach's salary	4,200	4,200	4,714	(514)	3,886
Fyrefill taxes	260	260	182	(78)	260
Workers' compensation insurance	225	221	160	(61)	223
Supplies	13,000	12,800	21,688	(9,088)	15,272
<b>Total parks and recreation</b>	<u>17,685</u>	<u>17,481</u>	<u>26,652</u>	<u>(8,911)</u>	<u>19,594</u>
<b>Capital outlay:</b>					
<b>General government:</b>					
Equipment	-	12,700	13,050	350	3,240
City hall renovations	10,000	-	-	-	-
<b>Public Safety</b>					
Equipment	-	-	-	-	1,670
Police cars	23,000	22,800	24,180	(280)	11,220
<b>Total capital outlay</b>	<u>33,000</u>	<u>35,500</u>	<u>37,230</u>	<u>351</u>	<u>14,560</u>
<b>Total expenditures:</b>	<u>\$ 507,340</u>	<u>\$ 517,481</u>	<u>\$ 588,200</u>	<u>\$ 3,488</u>	<u>\$ 711,838</u>

**NON MAJOR  
FUND DESCRIPTION**

**CAPITAL PROJECTS FUNDS**

**One Percent Budget Set-Aside Fund -**

To account for the financing of various capital improvement projects as designated by the Town Council. Capital projects are to be funded by excess annual revenues of the Town.

TOWN OF ARNAUDVILLE, LOUISIANA  
Nonmajor Governmental Fund

Balance Sheet  
June 30, 2004  
With Comparative Totals for June 30, 2003

	One Percent Budget Set-Aside Fund	
	2004	2003
<b>ASSETS</b>		
Interest-bearing time deposits	\$ 147,299	\$ 111,131
Receivables		
Due from other funds	11,868	11,066
Accrued interest	2,953	2,711
Total assets	<b>\$ 168,659</b>	<b>\$ 144,952</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Due to other funds	\$ -	\$ -
Fund balances - unreserved	168,659	144,952
Total liabilities and fund balances	<b>\$ 168,659</b>	<b>\$ 144,952</b>

TOWN OF ARMALEEVILLE, LOUISIANA

Nonmajor Governmental Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2004  
 With Comparative Totals for the Year Ended June 30, 2003

	One Percent Budget Set-Aside Fund	
	2004	2003
<b>Revenues:</b>		
Miscellaneous	\$ 2,907	\$ 3,131
Total revenues	<u>2,907</u>	<u>3,131</u>
<b>Expenditures:</b>		
Current -		
Debt service	-	-
Total expenditures	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>2,907</u>	<u>3,131</u>
<b>Other financing sources (uses):</b>		
Transfers in	12,880	11,678
Transfers out	-	(720)
Total other financing sources:	<u>12,880</u>	<u>10,958</u>
Net changes in fund balances	15,787	14,209
Fund balances, beginning	144,982	129,690
Residual equity transfer	-	(9,880)
Fund balances, ending	<u>\$ 160,769</u>	<u>\$ 144,952</u>

TOWN OF ARMAUDVILLE, LOUISIANA

Nonmajor Governmental Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (GAAP Basis) and Actual  
 Year Ended June 30, 2004  
 With Comparative Actual Amounts for Year Ended June 30, 2003

	One Percent Budget Set-Aside Fund			2003 Actual
	2004		Variance - Favorable (Unfavorable)	
	Budget	Actual		
<b>Revenues:</b>				
Intergovernmental -				
Miscellaneous - interest	\$ 3,308	\$ 3,907	\$ (599)	\$ 3,315
Total revenues	<u>3,308</u>	<u>3,907</u>	<u>(599)</u>	<u>3,315</u>
<b>Expenditures:</b>				
Highways and streets -				
Capital outlay	-	-	-	-
Excess of revenues over expenditures	<u>3,308</u>	<u>3,907</u>	<u>(599)</u>	<u>3,315</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	12,808	12,809	-	11,879
Operating transfers out	-	-	-	(718)
Total other financing sources	<u>12,808</u>	<u>12,809</u>	<u>-</u>	<u>10,813</u>
Excess of revenues and other sources over expenditures	<u>16,108</u>	<u>15,797</u>	<u>(311)</u>	<u>14,298</u>
Fund balance, beginning	<u>144,912</u>	<u>144,912</u>	<u>-</u>	<u>130,862</u>
Fund balance, ending	<u>\$ 161,020</u>	<u>\$ 160,699</u>	<u>\$ (321)</u>	<u>\$ 144,912</u>

TOWN OF ARBAUDVILLE, LOUISIANA

Statement of Capital Assets - Governmental Funds  
June 30, 2004 and 2003

	2004	2003
Capital assets, at cost:		
Land	\$ 74,498	\$ 74,498
Buildings and improvements	288,743	294,972
Infrastructure	643,991	346,754
Equipment	152,543	114,186
Construction in progress	<u>5,200</u>	<u>-</u>
<b>Total capital assets</b>	<b><u>\$1,174,985</u></b>	<b><u>\$1,858,574</u></b>
Investment in capital assets:		
Property acquired from -		
General Fund revenues	\$ 260,473	\$ 218,782
Federal revenue sharing funds	79,160	22,699
Sales tax revenues	135,219	153,219
Public improvement bonds	681,520	294,372
Ad valorem taxes	<u>20,520</u>	<u>28,520</u>
<b>Total investment in capital assets</b>	<b><u>\$1,174,985</u></b>	<b><u>\$1,858,574</u></b>



TOWN OF ARNAUDVILLE, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
June 30, 2004 and 2003

Records maintained by the Town indicated the following number of customers were being serviced during the months of June 30, 2004 and 2003:

<u>Department</u>	<u>2004</u>	<u>2003</u>
Gas (metered)	688	711
Water (metered)	846	816
Sewer	592	594
Sanitation	34	34

TOWN OF ARMALEDVILLE, LOUISIANA

Combined Schedule of Interest-Bearing Time Deposits

June 30, 2004

	Financial Institution	Maturity Date	Interest Rate	Amount
<b>Special Revenue Funds:</b>				
<b>1989 Sales Tax Fund:</b>				
Certificate of deposit	F	09/05/04	2.07%	\$ 31,587
Certificate of deposit	F	09/06/04	2.08%	41,888
Certificate of deposit	W	05/05/03	2.18%	98,411
Certificate of deposit	F	09/06/04	2.08%	26,743
<b>1982 Sales Tax Fund:</b>				
Certificate of deposit	F	09/05/04	2.07%	64,117
Certificate of deposit	F	09/06/04	2.08%	20,989
Certificate of deposit	W	05/05/03	2.18%	98,411
				<u>103,045</u>
<b>Capital Projects Fund:</b>				
<b>One Percent Budget Set-Aside Fund:</b>				
Certificate of deposit	W	08/05/04	2.13%	81,281
Certificate of deposit	W	10/16/04	2.08%	11,988
Certificate of deposit	F	09/06/04	2.08%	26,819
Certificate of deposit	W	09/05/04	1.82%	12,562
Certificate of deposit	W	06/05/03	2.18%	12,885
				<u>141,535</u>
<b>Utility Fund:</b>				
Certificate of deposit	W	10/16/04	2.08%	4,521
Certificate of deposit	F	05/05/03	2.08%	164,863
Certificate of deposit	W	05/05/03	2.18%	8,187
Certificate of deposit	F	05/05/03	1.82%	37,677
Certificate of deposit	W	01/09/04	2.42%	81,181
Certificate of deposit	W	05/05/03	2.18%	66,771
Certificate of deposit	F	07/07/04	2.08%	47,888
Certificate of deposit	W	07/05/04	2.42%	181,952
Certificate of deposit	W	05/05/03	2.18%	86,851
Certificate of deposit	W	03/02/03	2.18%	23,136
Certificate of deposit	W	06/02/03	2.18%	171,641
Certificate of deposit	W	05/05/03	2.18%	26,496
Certificate of deposit	F	09/06/04	2.08%	24,584
				<u>871,298</u>
<b>Total - all funds</b>				<u>\$ 1,118,581</u>

Interest-Bearing Time Deposits with:

(W) Washington State Bank, Arnaudville, Louisiana

(F) Farmers - Merchants Bank, Breton Bridge, Louisiana

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Insurance in Force  
(Continued)  
June 30, 2004

<u>Description of Coverage</u>	<u>Coverage Amount</u>
Workers's compensation - Employer's liability	\$ 100,000
Surety bonds - Public employees	10,000
Treasurer	100,000
Commercial general liability	100,000
Law-enforcement officers' liability	100,000
Public officials' errors and omissions liability	100,000
Business auto liability	100,000
Fire, lightning, and extended coverage, vandalism and malicious mischief - Blanket on all Town property	1,168,754
Equipment physical damage	125,000
Blanket accident and health policy - Baseball and basketball programs	500,000

**TOWN OF ABOUILLEVILLE, LOUISIANA**  
**Enterprise Fund**  
**Utility Fund**

**Comparative Departmental Analysis of Revenues and Expenses**  
**Years Ended June 30, 2004 and 2003**

	Totals		City	
	2004	2003	2004	2003
<b>Operating revenues:</b>				
Charges for services -				
Billings to customers	\$ 425,082	\$ 587,257	\$ 148,115	\$ 148,483
Delinquency charges	11,633	15,044	7,080	6,337
Other fees	8,721	5,689	1,300	3,268
<b>Total operating revenues</b>	<u>445,436</u>	<u>608,090</u>	<u>156,500</u>	<u>158,088</u>
<b>Operating expenses:</b>				
Salaries	178,869	154,761	61,202	41,608
Payroll taxes and retirement	15,473	14,843	7,968	3,270
Gas purchases	109,219	152,675	159,574	193,679
Repairs and maintenance	73,455	71,308	20,829	21,670
Professional fees	38,210	38,215	-	-
Fuel debts	1,780	4,762	1,874	3,088
Telephone	3,654	4,715	1,981	1,158
Depreciation	91,180	81,668	10,205	12,280
Insurance	34,770	38,308	10,277	11,686
Water plant lease	150	150	-	-
Utilities	28,158	24,643	1,982	-
Fire department expense	1,356	1,470	-	-
Office supplies	7,811	38,092	-	-
Miscellaneous	7,308	11,186	4,423	2,873
Allocation of administrative expenses	-	-	58,605	60,793
<b>Total operating expenses</b>	<u>419,796</u>	<u>571,707</u>	<u>298,821</u>	<u>312,331</u>
<b>Operating income/(loss)</b>	<u>25,640</u>	<u>36,383</u>	<u>57,679</u>	<u>45,757</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	20,989	15,489	-	-
A/R valuation fees	25,403	26,624	-	-
Interest expense	(12,983)	(9,688)	-	-
FEMA	-	6,784	-	-
Gain on sale of asset	380	-	-	-
Miscellaneous	1,898	-	-	-
<b>Total nonoperating revenues</b>	<u>35,687</u>	<u>38,209</u>	<u>-</u>	<u>-</u>
<b>Income before transfers</b>	<u>61,327</u>	<u>74,592</u>	<u>57,679</u>	<u>45,757</u>
<b>Transfers in (out):</b>				
Transfers in	28,000	-	-	-
Transfers out	(72,800)	(20,470)	-	-
<b>Total transfers out</b>	<u>(44,800)</u>	<u>(20,470)</u>	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	<u>16,527</u>	<u>54,122</u>	<u>57,679</u>	<u>45,757</u>
<b>Net assets, beginning</b>	<u>2,112,712</u>	<u>2,089,861</u>	<u>2,112,712</u>	<u>2,089,861</u>
<b>Net assets, ending</b>	<u>\$ 2,129,239</u>	<u>\$ 2,143,983</u>	<u>\$ 2,170,391</u>	<u>\$ 2,135,618</u>

Water		Sewer		Sanitation		Administration	
2004	2003	2004	2003	2004	2003	2004	2003
\$189,326	\$173,208	\$ 86,968	\$ 78,168	\$ 800	\$ 806	\$ -	\$ -
2,984	2,511	1,628	1,306	-	-	-	-
7,038	3,421	-	-	-	-	-	-
<u>199,348</u>	<u>181,140</u>	<u>88,596</u>	<u>79,474</u>	<u>800</u>	<u>806</u>	<u>-</u>	<u>-</u>
31,804	28,158	38,000	13,347	-	-	50,795	60,589
4,143	3,624	3,659	3,398	-	-	5,712	3,797
-	-	-	-	-	-	-	-
33,149	26,852	11,458	22,988	-	-	-	-
-	-	-	-	-	-	18,218	38,233
448	1,198	346	372	-	-	-	-
-	-	-	-	-	-	4,475	3,213
26,938	18,831	18,956	18,418	-	-	18,118	32,348
8,589	7,802	4,944	4,339	-	-	8,825	6,190
288	298	-	-	-	-	-	-
11,138	24,643	12,688	-	-	-	800	-
3,266	3,472	-	-	-	-	-	-
-	-	-	-	-	-	7,111	36,092
226	-	844	3,701	1,348	877	439	4,193
<u>71,478</u>	<u>72,024</u>	<u>14,258</u>	<u>18,949</u>	<u>1,646</u>	<u>1,855</u>	<u>(168,775)</u>	<u>(138,533)</u>
<u>149,432</u>	<u>129,809</u>	<u>114,978</u>	<u>106,323</u>	<u>2,452</u>	<u>1,962</u>	<u>-</u>	<u>-</u>
<u>\$ 86,233</u>	<u>\$ 24,242</u>	<u>\$128,392</u>	<u>\$128,472</u>	<u>\$ 13,449</u>	<u>\$ 13,758</u>	<u>\$ -</u>	<u>\$ -</u>

**COMPLIANCE  
INTERNAL CONTROL  
AND  
OTHER INFORMATION**

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

The Honorable Kirby Richard, Mayor  
and members of the Board of Aldermen  
Town of Amnashville, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Amnashville, Louisiana (the Town) as of and for the year ended June 30, 2004, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 22, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as Item 04-1.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as Item 04-2.

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 64.2 to be a material weakness.

This report is intended solely for the information and use of management, others within the organization, and Town Council and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

**Keller, Champagne, Stevens & Company, LLC**  
Certified Public Accountants

Lafayette, Louisiana  
July 22, 2004



BOARD OF REPRESENTATIVES, LANSING

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended Year 12, 2004

Final Year Finding Initially Reported	Description of Finding	Corrective Action Taken	Category Action Planned	Name of Contact Person	Anticipated Completion Date
<p>00000001 YEAR (04/2004) --                      Classification                      04-1 04/2004</p>	<p>The Team did not follow proper bid procedures for the purchase of two pieces of machinery.</p>	Yes	In the future, when large pieces of machinery need to be purchased, the proper bid procedures will be followed.	Mrs. Emily M. Richard, Mayor	06/30/05
<p>Internal Control                      04-1 04/04</p>	<p>Due to the small number of employees, the Team did not have adequate segregation of functions within the accounting system.</p>	No	It was determined that it is not cost effective to address complete segregation of duties within the accounting department. No plan is considered necessary.	Mrs. Emily M. Richard, Mayor	N/A
<p>00000017 YEAR (05/2005) --                      Internal Control                      04-1(04) N/A</p>	<p>Due to the small number of employees, the Team did not have adequate segregation of functions within the accounting system.</p>	No	It was determined that it is not cost effective to address complete segregation of duties within the accounting department. No plan is considered necessary.	Mrs. Emily M. Richard, Mayor	N/A