

CITY OF OAKDALE, 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.

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CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Unaudited)

Within this section of the City of Oakdale Louisiana (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2004. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The City's assets exceeded its liabilities by \$7,757,289 (net assets) for the fiscal year reported.

Total net assets are comprised of the following:

1. Capital assets, net of related debt, of \$6,603,053 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
2. Net assets of \$1,366,551 are restricted and reserved by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.

The City's governmental funds reported total ending fund balance of \$1,209,434 this year. This compares to the prior year ending fund balance of \$1,546,049 showing a decrease of \$336,615 during the current year. The General Fund total fund balance of \$25,809 for fiscal year 2004 shows a \$6,969 decrease from the prior year. All fund balances are reserved or restricted as to particular uses.

Overall, the financial position of the City has declined from 2003 due to stagnant revenues and increased costs of operations.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available. All applicable tables will present comparative data in fiscal year 2005.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Unaudited) (Continued)

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, and streets. Business-type activities include the water and sewer systems.

The government-wide financial statements are presented on pages 17-19 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 21-26 of this report.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Unaudited) (Continued)

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City maintains one type of proprietary fund. The enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization for water and sewer utilities.

The basic proprietary fund financial statements are presented on pages 27-30 of this report.

Notes to the basic financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 32 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund and the other major funds. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget. Required supplementary information can be found on pages 55-60 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City implemented the new financial reporting model used in this report beginning with the current fiscal year ended June 30, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole.

The City's net assets at fiscal year-end are \$7,757,289. The following table provides a summary of the City's net assets:

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Unaudited) (Continued)

Summary of Net Assets

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets and other assets	\$ 1,458,296	\$ 162,155	\$ 1,620,451
Restricted assets	315,188	227,804	542,992
Capital assets	<u>5,815,154</u>	<u>4,031,899</u>	<u>9,847,053</u>
Total assets	<u>7,588,638</u>	<u>4,421,858</u>	<u>12,010,496</u>
Liabilities:			
Current liabilities	1,063,488	99,681	1,163,169
Long-term liabilities	<u>3,025,000</u>	<u>65,038</u>	<u>3,090,038</u>
Total liabilities	<u>4,088,488</u>	<u>164,719</u>	<u>4,253,207</u>
Net assets:			
Investment in capital assets, net of debt	2,571,154	-	2,571,154
Contributed capital	-	1,231,505	1,231,505
Restricted	1,209,434	157,117	1,366,551
Unrestricted	<u>(280,438)</u>	<u>2,868,517</u>	<u>2,588,079</u>
Total net assets	<u>\$ 3,500,150</u>	<u>\$ 4,257,139</u>	<u>\$ 7,757,289</u>

The City continues to maintain a low current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 1.37 to 1 and 1.63 to 1 for business type activities. For the City overall, the current ratio is 1.39 to 1. These ratios are somewhat weak thereby identifying concern as area that will be monitored closely by City Officials.

The City reported positive balances in net assets for both governmental and business-type activities. Net assets increased \$397,909 for governmental activities and decreased by \$564,073 for business-type activities. The City's overall net assets decreased by \$166,164 during fiscal year 2004.

Note that approximately 74% of the governmental activities' net assets are tied up in capital assets. The City uses these capital assets to provide services to its citizens. Capital assets in the business-type activities also provide utility services, but they also generate revenues for this fund.

Since this is the first year in which government-wide information is available, comparative data is not presented. However, comparative data will be accumulated and presented to assist analysis in future years.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Unaudited) (Continued)

The following table provides a summary of the City's changes in net assets:

Summary of Changes in Net Assets

	Governmental Activities	Business-type Activities	Total	Percentage or Total
Revenues:				
Program:				
Charges for services/fines	\$ 335,638	\$ 1,183,900	\$ 1,519,538	41%
Operating grants	262,738	-	262,738	7%
Capital grants	395,088	-	395,088	11%
General:				
Sales and miscellaneous taxes	920,752	-	920,752	25%
Other taxes	542,150	-	542,150	15%
Interest	19,613	30,794	50,407	1%
Other	26,576	-	26,576	1%
Total Revenues	<u>2,502,555</u>	<u>1,214,694</u>	<u>3,717,249</u>	<u>100%</u>
Program expenses:				
General government	884,035	-	884,035	23%
Public safety:				
Police	929,168	-	929,168	24%
Fire	232,851	-	232,851	6%
Highways and streets	484,640	-	484,640	12%
Culture and recreation	216,574	-	216,574	6%
Interest	138,909	-	138,909	4%
Electric, water and sewer	-	997,236	997,236	26%
Total expenses	<u>\$ 2,886,177</u>	<u>\$ 997,236</u>	<u>\$ 3,883,413</u>	<u>100%</u>
Excess (deficiency)	(383,622)	217,458	(166,164)	
Transfers	<u>781,531</u>	<u>(781,531)</u>	-	
Change in net assets	397,909	(564,073)	(166,164)	
Beginning net assets	<u>3,102,241</u>	<u>4,821,212</u>	<u>7,923,453</u>	
Ending net assets	<u>\$ 3,500,150</u>	<u>\$ 4,257,139</u>	<u>\$ 7,757,289</u>	

GOVERNMENTAL REVENUES

The City is heavily reliant on sales taxes to support governmental operations. Sales taxes provided 25% of the City's total revenues. Also note that program revenues cover only 38% of governmental operating expenses. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Unaudited) (Continued)

GOVERNMENTAL FUNCTIONAL EXPENSES

Police services comprise 24% of the City's total expenses and 32% of the total governmental expenses. The total public safety makes up 30% of the total expenses and 40% of the total governmental expenses. The highway and street expenses are 12% of total City expenses, and culture and recreation represents 6% of total City expenses.

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General government	\$ 836,218	\$ 229,424
Public safety:		
Police	929,168	902,886
Fire	232,851	215,799
Highways and streets	484,640	141,304
Culture and recreation	216,574	216,574
Other	47,817	47,817
Interest on long-term debt	<u>138,909</u>	<u>138,909</u>
Total	<u>\$ 2,886,177</u>	<u>\$ 1,892,713</u>

BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

Within the total business type activities of the City, these activities reported \$217,454 operating income compared to operating income of \$128,271 for the prior year.

However, after nonoperating revenues and expenses, and transfers out, the fund reported a loss of \$564,077, or \$53,597 more than 2003. By department, the fund reported the following operating income or loss:

Water department	\$ 370,465
Sewer department	\$ (183,801)

The City is charging its users the full amount of operational costs for the water operations, as noted above with excess revenues being used to subsidize other operations of the City. In an effort to improve operations, the City is taking a number of positive steps. The City is aggressively protecting its water supply from unauthorized use and expanding their customer base. Also, the City is repairing its utility infrastructure in an effort to become compliant with requirements of the United States Department of Environmental Quality.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Unaudited) (Continued)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$1,209,434. All of the aforementioned fund balances are legally restricted (i.e. the reserved fund balances) include: \$25,809 committed for prepaids, \$129,294 reserved in accordance with sales tax ordinances, \$476,428 gaming funds reserved for uses as provided by the Coshatta Indian Tribe (the provider of funds) \$240,557 for capital projects and \$337,346 for debt service.

The total ending fund balances of governmental funds show a decrease of \$336,615 below the prior year. This decrease is primarily the result of the events and programs described within the analysis of the City's governmental activities.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$6,969. However, the reader needs to remember that the City controls these differences by the amount of resources it transfers in from the Enterprise and Sales Tax Funds. Typically the City retains little if any fund balances in the General Fund, choosing rather to record transfers from the Sales Tax Fund and Utility Fund.

From a comparative standpoint, the General Fund experienced the following changes: taxes (ad valorem, franchise and beer taxes) in total decreased by a minimal amount due mainly to an increase in franchise taxes which offset a decrease in ad valorem taxes. Licenses and permits decreased by \$7,028 due to a decrease in occupational licenses. Local, state, and federal revenues (termed intergovernmental) were substantially lower than in 2003 primarily due to certain grants received in the prior year not present in the current year. Overall, reoccurring revenues (total revenues less grant's received) decreased approximately \$14,094. The expenditures side shows an decrease in General Fund expenditures of \$140,344, however adjusting the expenditures to reflect reoccurring expenditures (subtracting grant expenditures) yields an increase of \$22,981. Significant categories include minor increases in Legislative, Judicial, Executive and Legal categories with a significant decrease in the Financial category (due primarily to a decrease in litigation expense for claims). Public safety expenditures experienced the largest increase of any category \$100,810. This increase was due in part to increased retirement contributions, office and operating supplies, repairs and maintenance and insurance to name a few categories.

The sales tax fund continues to maintain a fund balance of \$129,294. Sales tax revenues were \$50,029 more than 2003.

In 2004, as in prior years, the City transferred all of the net proceeds received from sales tax collections to cover an \$84,978 deficit in the Fire Department Fund, and the remaining \$785,888 was transferred to the General Fund to defray the costs of operating the City Police Department (an acceptable use of the City's 3/10 of one percent sales tax), defraying the cost of operating of the public works department (an acceptable use of the City's one percent sales tax and transfers to cover debt service payments).

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Unaudited) (Continued)

The City's Fire Department Fund revenues decreased slightly from 2003 and expenditures increased approximately \$14,000. As a result the deficit before transfers increased from \$66,358 in 2003 to \$84,978 in 2004. The Deficit was covered by a transfer from the Sales Tax Fund.

The City's Gaming Revenue Fund experienced a significant decrease in funding for 2004. Revenues decreased from \$410,157 in 2003 to \$328,438. Expenditures consisted primarily of various qualifying departmental and capital expenditures. The Gaming Fund ended the year with a surplus of \$109,427 which is restricted as to its use in accordance with an agreement between the Coushatta Tribe of Louisiana and the State of Louisiana.

The City's Debt Service Fund is used to accumulate monies for payment of principal and interest on bond indebtedness. Revenues for the year ended 2004 consisted primarily of \$72,950 collected in ad valorem taxes specifically passed and pledged for the repayment of certain general obligation bonds. Short-falls in funding were made-up by various transfers from other funds. Overall, the City's Debt Service Funds ended the fiscal year with \$337,346 in ending fund balance which is restricted as to its use for payment of debt service payments.

The City's Capital Projects Fund consists of two primary projects (1) street overlays and (2) police station construction. During the fiscal year ended June 30, 2004 the City received bond proceeds from the issuance of \$800,000 in bonds. These proceeds coupled with certain grant funds have been utilized to substantially complete several paving projects within the City. Additionally, fund balance carried over from the prior year (due to the receipt of bond proceeds in 2003 and limited activity on the Police Station construction) was used to complete the City's new Police Station at a cost of approximately \$666,800 during the current year. Remaining fund balances for both the street paving projects and police station construction totaled \$240,557 and are restricted as to their use for payment of any additional construction costs or any other acceptable uses as outlined in the ordinances authorizing the issuance of the bonds.

THE PROPRIETARY FUND

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise fund at the end of the year amounted to \$2,868,571 (however, this amount is basically not available due to it being invested in fixed assets). Other factors concerning the enterprise fund have already been addressed in the discussion of the City's business-type activities.

BUDGETARY HIGHLIGHTS

The General Fund - Both of the General Fund's original revenue budgets were less than the actual amounts reported in fiscal year 2004.

Total budgeted revenues were increased by \$3,000 over the original budget. Miscellaneous revenue increased by \$3,000 due to actual amounts received.

The expenditure side of the original budget for the General Fund was revised downward by \$51,244 this year.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Unaudited) (Continued)

Major differences between the actual results of the general fund and the final amended budget are as follows:

- The City actually collected more revenues from taxes than were actually budgeted for primarily in the area of franchise taxes.
- The City collected \$12,584 more revenues than the budget in licenses and permits from various sources.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The City's total capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2004, were \$9,847,053. See Note 7 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

	Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Non-depreciable assets:						
Land	\$ 532,583	\$ 532,583	\$ 70,543	\$ 70,543	\$ 603,126	\$ 603,126
Construction in progress	1,646,769	-	-	-	1,646,769	-
Total non-depreciable	2,179,352	532,583	70,543	70,543	2,249,895	603,126
Depreciable assets:						
Buildings	5,410,048	5,410,048	-	-	5,410,048	5,410,048
Vehicles	1,165,134	1,145,091	-	-	1,165,134	1,145,091
Equipment, furniture, and fixtures	1,012,434	972,183	80,955	80,955	1,093,389	1,053,138
Improvements other than Buildings	352,230	352,230	-	-	352,230	352,230
Utility systems	-	-	10,282,129	10,277,199	10,282,129	10,277,199
Infrastructure	-	-	-	-	-	-
Total depreciable assets	7,939,846	7,879,552	10,363,084	10,358,154	18,302,930	18,237,706
Less accumulated depreciation	4,304,044	4,000,647	6,401,728	6,047,067	10,705,772	10,047,714
Book value-depreciable assets	\$ 3,635,802	\$ 3,878,905	\$ 3,961,356	\$ 4,311,087	\$ 7,597,158	\$ 8,189,992
Percentage depreciated	54%	51%	62%	58%	58%	55%
Book value-all assets	\$ 5,815,154	\$ 4,411,488	\$ 4,031,899	\$ 4,381,630	\$ 9,847,053	\$ 8,793,118

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Unaudited) (Continued)

At June 30, 2004, the depreciable capital assets for governmental activities were 54% depreciated. This approximates the December 31, 2003 percentage. This comparison indicates that the City is replacing its assets at approximately the same rate as they are depreciating which is a positive indicator.

With respect to the City's business type activities, 62% of the asset values were depreciated at June 30, 2004 compared to 58% at December 31, 2003. The major purchases were for equipment.

At the end of the fiscal year, the City had total bonded debt outstanding of \$3,244,000.

During the year, the City retired \$244,000 of beginning outstanding bonded debt balance.

	<u>Outstanding Borrowings</u>					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revolving loan	\$ 1,465,000	\$1,472,412	\$ -	\$ -	\$ 1,465,000	\$ 1,472,412
General Obligation/Certificate of Indebtedness	<u>1,779,000</u>	<u>1,213,000</u>	<u>-</u>	<u>-</u>	<u>1,779,000</u>	<u>1,213,000</u>
Total	<u>\$ 3,244,000</u>	<u>\$2,685,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,244,000</u>	<u>\$2,685,412</u>

See Note 9 for additional information about the City's long-term debt.

ECONOMIC CONDITIONS AFFECTING THE CITY

The City's primary source of revenue is utility charges and sales taxes. The City anticipates continued levels of utility revenues for the upcoming year. The City's sales taxes are an additional major revenue stream. The City anticipates approximately the same in sales tax revenues based upon local conditions.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Mayor, Mayor Robert Abrusley, P.O. Box 728, Oakdale, Louisiana 71463.



(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990
Paula D. Bihm, CPA, Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. HigginBotham, CPA
John P. Armato, CPA
Jennifer S. Ziegler, CPA, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA

Erich G. Loewer, Jr. CPA, CVA

Kathleen T. Darnall, CPA
Erich G. Loewer, III, MTX, CPA
Tamera T. Landry, CPA
Raegan D. Maggio, CPA
Barbara A. Clark, CPA
Lauren F. Verrett, CPA
Michelle B. Borrello, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA
Barbara Ann Watts, CPA
Adam J. Curry, CPA
Chad M. Bailey, CPA

Independent Auditor's Report

The Honorable Robert Abrusley, Mayor
City of Oakdale, 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 City of Oakdale, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents. These financial statements are the responsibility of the City of Oakdale, Louisiana's management. Our responsibility is to express an opinion 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, and the provisions of Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements referred to above include only the primary government of the City of Oakdale, Louisiana, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City of Oakdale, Louisiana as of June 30, 2004, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Member of:
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the primary government of the City of Oakdale, 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.

As described in Note 2, the City of Oakdale, Louisiana has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of July 1, 2003. This results in a change in the format and content of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 23, 2004, on our consideration of the City of Oakdale, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information 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 consist 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the primary government of the City of Oakdale, Louisiana. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The prior year summarized comparative information has been derived from the City's 2003 financial statements and, in our report dated September 18, 2003 we expressed an qualified opinion on the respective financial statements of the primary government.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
September 23, 2004



(A Corporation of Certified Public Accountants)

Independent Auditor's Report on
Compliance and on Internal Control over
Financial Reporting Based on an Audit of Basic
Financial Statements Performed in Accordance
with *Government Auditing Standards*

The Honorable Mayor Robert Abrusley
and City Council Members
City of Oakdale, Louisiana

We have audited the financial statements of the City of Oakdale, Louisiana, primary government, as of and for the year ended June 30, 2004, and have issued our report thereon dated September 23, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Oakdale's primary government financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards* and are listed as items 04-2 and 04-3.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Oakdale's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government 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 City of Oakdale's ability to record, process, summarize and report financial data consistent with the assertions of management in the primary government financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 04-1.

Eugene H. Darnall, CPA, Retired 1990
Paula D. Bihm, CPA, Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. HigginBotham, CPA
John P. Armato, CPA
Jennifer S. Ziegler, CPA, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA

Erich G. Loewer, Jr. CPA, CVA

Kathleen T. Darnall, CPA
Erich G. Loewer, III, MTX, CPA
Tamera T. Landry, CPA
Raegan D. Maggio, CPA
Barbara A. Clark, CPA
Lauren F. Verrett, CPA
Michelle B. Borrello, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA
Barbara Ann Watts, CPA
Adam J. Curry, CPA
Chad M. Bailey, CPA

Member of:
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the primary government 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 structure 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, of the reportable conditions described above, we consider item 04-1 to be a material weakness.

This report is intended solely for the information of the City Council Members and management and is not intended to be and should not be used by anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document, therefore, its distribution is not limited.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
September 23, 2004

BASIC FINANCIAL STATEMENTS

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

CITY OF OAKDALE, LOUISIANA

Statement of Net Assets
June 30, 2004

ASSETS	Governmental Activities	Business - Type Activities	Total
Current assets:			
Cash and interest-bearing deposits	\$ 915,584	\$ -	\$ 915,584
Receivables, net	481,492	148,925	630,417
Due from other funds	35,411	13,230	48,641
Prepaid items	<u>25,809</u>	<u>-</u>	<u>25,809</u>
Total current assets	<u>1,458,296</u>	<u>162,155</u>	<u>1,620,451</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	315,188	-	315,188
Customers' deposit accounts	-	70,687	70,687
Sewer plant replacement accounts	-	157,117	157,117
Capital assets, net	<u>5,815,154</u>	<u>4,031,899</u>	<u>9,847,053</u>
Total noncurrent assets	<u>6,130,342</u>	<u>4,259,703</u>	<u>10,390,045</u>
Total assets	<u>7,588,638</u>	<u>4,421,858</u>	<u>12,010,496</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	443,325	99,681	543,006
Bonds payable	219,000	-	219,000
Accrued interest	37,243	-	37,243
Claims payable	201,719	-	201,719
Compensated absences payable	41,476	-	41,476
Due to other funds	<u>120,725</u>	<u>-</u>	<u>120,725</u>
Total current liabilities	<u>1,063,488</u>	<u>99,681</u>	<u>1,163,169</u>
Noncurrent liabilities:			
Customers deposits payable	-	65,038	65,038
Bonds payable	<u>3,025,000</u>	<u>-</u>	<u>3,025,000</u>
Total noncurrent liabilities	<u>3,025,000</u>	<u>65,038</u>	<u>3,090,038</u>
Total liabilities	<u>4,088,488</u>	<u>164,719</u>	<u>4,253,207</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,571,154	-	2,571,154
Contributed capital	-	1,231,505	1,231,505
Restricted for debt service	337,346	-	337,346
Restricted - other	872,088	157,117	1,029,205
Unrestricted	<u>(280,438)</u>	<u>2,868,517</u>	<u>2,588,079</u>
	<u>\$ 3,500,150</u>	<u>\$ 4,257,139</u>	<u>\$ 7,757,289</u>

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2004

<u>Activities</u>	<u>Expenses</u>
Governmental activities:	
General government	\$ 836,218
Public safety:	
Police	929,168
Fire	232,851
Health and recreation	216,574
Public works	484,640
Interest on long-term debt	138,909
Grant expenditures	<u>47,817</u>
Total governmental activities	2,886,177
Business-type activities:	
Water	271,699
Sewer	<u>725,537</u>
Total business-type activities	<u>997,236</u>
Total	<u>\$ 3,883,413</u>

Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
Fees, Fines and Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 335,638	\$ 248,252	\$ 22,904	\$ (229,424)	-	\$ (229,424)
-	4,725	21,557	(902,886)	-	(902,886)
-	9,761	7,291	(215,799)	-	(215,799)
-	-	-	(216,574)	-	(216,574)
-	-	343,336	(141,304)	-	(141,304)
-	-	-	(138,909)	-	(138,909)
-	-	-	(47,817)	-	(47,817)
<u>335,638</u>	<u>262,738</u>	<u>395,088</u>	<u>(1,892,713)</u>	-	<u>(1,892,713)</u>
642,164	-	-	-	370,465	370,465
<u>541,736</u>	-	-	-	<u>(183,801)</u>	<u>(183,801)</u>
<u>1,183,900</u>	-	-	-	<u>186,664</u>	<u>186,664</u>
<u>\$ 1,519,538</u>	<u>\$ 262,738</u>	<u>\$ 395,088</u>	<u>\$ (1,892,713)</u>	<u>\$ 186,664</u>	<u>\$ (1,706,049)</u>
General revenues:					
Taxes -					
Property taxes, levied for general purposes			101,708	-	101,708
Property taxes levied for fire protection			86,494	-	86,494
Property taxes, levied for sewer improvement			72,950	-	72,950
Sales and miscellaneous taxes			920,752	-	920,752
Payment in lieu of taxes			16,832	-	16,832
Franchise and chain store taxes			264,166	-	264,166
Grants and contributions not restricted to specific programs -					
State sources			3,129	-	3,129
Interest and investment earnings			19,613	30,794	50,407
<i>Special item</i> - proceeds from hwy. 10 property sale			11,632	-	11,632
Miscellaneous			11,815	-	11,815
Transfers			<u>781,531</u>	<u>(781,531)</u>	-
Total general revenues and transfers			<u>2,290,622</u>	<u>(750,737)</u>	<u>1,539,885</u>
Change in net assets			397,909	(564,073)	(166,164)
Net assets - July 1, 2003			<u>3,102,241</u>	<u>4,821,212</u>	<u>7,923,453</u>
Net assets - June 30, 2004			<u>\$ 3,500,150</u>	<u>\$ 4,257,139</u>	<u>\$ 7,757,289</u>

The accompanying notes are an integral part of this statement

FUND FINANCIAL STATEMENTS (FFS)

CITY OF OAKDALE, LOUISIANA

Balance Sheet
 Governmental Funds
 June 30, 2004

With Comparative Totals for June 30, 2003

ASSETS	General	Sales Tax Special Revenue	Gaming Special Revenue
Cash and interest-bearing deposits	\$ 222,200	\$ 54,966	\$ 397,861
Receivables	59,704	61,681	77,961
Prepaid expenditures	25,809	-	-
Due from other funds	-	12,647	606
Restricted assets - cash and investments	-	-	-
Total assets	\$ 307,713	\$ 129,294	\$ 476,428
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 175,407	\$ -	\$ -
Due to other funds	106,497	-	-
Total liabilities	281,904	-	-
Fund balances:			
Reserved	25,809	129,294	476,428
Reserved for debt service	-	-	-
Total fund balances	25,809	129,294	476,428
Total liabilities and fund balances	\$ 307,713	\$ 129,294	\$ 476,428

Fire Dept. Special Revenue	Debt Service	Capital Projects	Totals	
			2004	2003
\$ -	\$ -	\$ 240,557	\$ 915,584	\$ 603,763
20,764	-	261,382	481,492	241,275
-	-	-	25,809	32,778
-	22,158	-	35,411	54,121
-	315,188	-	315,188	1,126,773
<u>\$ 20,764</u>	<u>\$ 337,346</u>	<u>\$ 501,939</u>	<u>\$ 1,773,484</u>	<u>\$ 2,058,710</u>
\$ 6,536	\$ -	\$ 261,382	\$ 443,325	\$ 162,829
14,228	-	-	120,725	349,832
<u>20,764</u>	<u>-</u>	<u>261,382</u>	<u>564,050</u>	<u>512,661</u>
-	-	240,557	872,088	1,297,232
-	337,346	-	337,346	248,817
-	337,346	240,557	1,209,434	1,546,049
<u>\$ 20,764</u>	<u>\$ 337,346</u>	<u>\$ 501,939</u>	<u>\$ 1,773,484</u>	<u>\$ 2,058,710</u>

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

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

Total fund balances for governmental funds at June 30, 2004		\$ 1,209,434
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and construction in progress	\$2,179,352	
Buildings, net of \$2,665,828 accumulated depreciation	2,744,220	
Equipment, furniture, and fixtures net of \$651,423 accumulated depreciation	361,011	
Vehicles, net of \$885,081 accumulated depreciation	280,053	
Improvements other than buildings, net of \$101,712 accumulated depreciation	<u>250,518</u>	5,815,154
Compensated absences	(41,476)	
Claims payable	(201,719)	
Accrued interest payable	(37,243)	
Bonds payable	<u>(3,244,000)</u>	<u>(3,524,438)</u>
Total net assets of governmental activities at June 30, 2004		<u>\$ 3,500,150</u>

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA
 Comparative Statements of Revenues, Expenses, and Changes in Fund Balance
 Governmental Funds

For the Year Ended June 30, 2004
 With Comparative Totals for the Year Ended June 30, 2003

	General	Sales Tax Special Revenue	Gaming Special Revenue
Revenues:			
Taxes	\$ 383,247	\$ 888,726	\$ -
Licenses and permits	194,584	-	-
Intergovernmental	46,117	-	-
Fines and forfeits	28,728	-	-
Miscellaneous	<u>129,798</u>	<u>272</u>	<u>328,438</u>
Total revenues	<u>782,474</u>	<u>888,998</u>	<u>328,438</u>
Expenditures:			
Current -			
General government	\$ 586,577	\$ 18,132	\$ 672
Public safety	881,067	-	14,486
Health and recreation	163,659	-	3,000
Public works	394,740	-	33,115
Capital outlay	-	-	60,293
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Grant expenditures	<u>47,817</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,073,860</u>	<u>18,132</u>	<u>111,566</u>
Excess (deficiency) of revenues over expenditures	<u>(1,291,386)</u>	<u>870,866</u>	<u>216,872</u>
Other financing sources (uses):			
Operating transfers in	1,426,306	-	-
Operating transfers out	(141,889)	(870,866)	(107,445)
Proceeds from borrowings	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,284,417</u>	<u>(870,866)</u>	<u>(107,445)</u>
Net changes in fund balance	(6,969)	-	109,427
Fund balances, beginning	<u>32,778</u>	<u>129,294</u>	<u>367,001</u>
Fund balances, ending	<u>\$ 25,809</u>	<u>\$ 129,294</u>	<u>\$ 476,428</u>

Fire Dept. Special Revenue	Debt Service	Capital Projects	Totals	
			2004	2003
\$ 107,258	\$ 72,950	\$ -	\$ 1,452,181	\$ 1,331,036
-	-	-	194,584	201,612
-	-	316,810	362,927	591,657
-	-	-	28,728	38,119
<u>483</u>	<u>2,789</u>	<u>2,357</u>	<u>464,137</u>	<u>570,009</u>
<u>107,741</u>	<u>75,739</u>	<u>319,167</u>	<u>2,502,557</u>	<u>2,732,433</u>
\$ -	\$ -	\$ -	\$ 605,381	\$ 679,668
192,719	-	-	1,088,272	983,994
-	-	-	166,659	164,184
-	-	-	427,855	415,885
-	-	1,646,769	1,707,062	481,497
-	244,000	-	244,000	215,480
-	133,657	-	133,657	87,781
-	-	-	47,817	211,142
<u>192,719</u>	<u>377,657</u>	<u>1,646,769</u>	<u>4,420,703</u>	<u>3,239,631</u>
<u>(84,978)</u>	<u>(301,918)</u>	<u>(1,327,602)</u>	<u>(1,918,146)</u>	<u>(507,198)</u>
84,978	390,447	-	1,901,731	1,625,111
-	-	-	(1,120,200)	(986,360)
<u>-</u>	<u>-</u>	<u>800,000</u>	<u>800,000</u>	<u>850,000</u>
<u>84,978</u>	<u>390,447</u>	<u>800,000</u>	<u>1,581,531</u>	<u>1,488,751</u>
-	88,529	(527,602)	(336,615)	981,553
-	248,817	768,159	1,546,049	564,496
<u>\$ -</u>	<u>\$ 337,346</u>	<u>\$ 240,557</u>	<u>\$ 1,209,434</u>	<u>\$ 1,546,049</u>

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
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	\$ (336,615)
---	--------------

The change in net assets reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 1,707,062	
Depreciation expense for the year ended June 30, 2004	<u>(303,397)</u>	1,403,665

Governmental funds report bonded debt repayments as expenditures.
However, this expenditure does not appear in the statement of activities
since the payment is applied against the bond payable balance on the
statement of net assets

	244,000
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Less: Excess of compensated absences earned over compensated absences used	(41,476)
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Less: Excess of claims incurred over claims paid	(66,413)
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Less: Proceeds from bonds	(800,000)
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Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	<u>(5,252)</u>
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Total changes in net assets at June 30, 2004 per Statement of Activities	<u>\$ 397,909</u>
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The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

Proprietary Fund
Statement of Net Assets
June 30, 2004

	Business - Type Activities - Enterprise Fund	
	<u>2004</u>	<u>2003</u>
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ -	\$ 43
Receivables, net	148,925	135,707
Due from other funds	<u>13,230</u>	<u>236,154</u>
Total current assets	<u>162,155</u>	<u>371,904</u>
Noncurrent assets:		
Restricted assets:		
Customers' deposit accounts	70,687	69,954
Sewer plant replacement accounts	157,117	133,811
Capital assets, net	<u>4,031,899</u>	<u>4,381,630</u>
Total noncurrent assets	<u>4,259,703</u>	<u>4,585,395</u>
Total assets	<u>4,421,858</u>	<u>4,957,299</u>
LIABILITIES		
Current liabilities:		
Accounts and other payables	<u>99,681</u>	<u>70,684</u>
Total current liabilities	<u>99,681</u>	<u>70,684</u>
Noncurrent liabilities:		
Customers deposits payable	<u>65,038</u>	<u>65,403</u>
Total noncurrent liabilities	<u>65,038</u>	<u>65,403</u>
Total liabilities	<u>164,719</u>	<u>136,087</u>
NET ASSETS		
Contributed capital	1,231,505	1,425,419
Reserved for sewer plant replacement	157,117	133,811
Unreserved	<u>2,868,517</u>	<u>3,261,982</u>
	<u>\$ 4,257,139</u>	<u>\$ 4,821,212</u>

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

Proprietary Fund
 Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets
 For the Years Ended June 30, 2004 and 2003

	Business-type Activities- Enterprise Fund	
	<u>2004</u>	<u>2003</u>
Operating revenues:		
Charges for services	\$ 1,153,020	\$ 971,130
Other	<u>60,648</u>	<u>59,112</u>
Total operating revenues	<u>1,213,668</u>	<u>1,030,242</u>
Operating expenses:		
Water department expenses	199,712	203,019
Sewerage department expenses	442,863	346,301
Depreciation expense	<u>354,661</u>	<u>354,376</u>
Total operating expenses	<u>997,236</u>	<u>903,696</u>
Operating income	<u>216,432</u>	<u>126,546</u>
Nonoperating revenues:		
Interest income	<u>1,022</u>	<u>1,725</u>
Total nonoperating revenues	<u>1,022</u>	<u>1,725</u>
Income before transfers	<u>217,454</u>	<u>128,271</u>
Transfers out:		
Transfers out	<u>(781,531)</u>	<u>(638,751)</u>
Total transfers out	<u>(781,531)</u>	<u>(638,751)</u>
Change in net assets	(564,077)	(510,480)
Net assets, beginning	<u>4,821,212</u>	<u>5,331,692</u>
Net assets, ending	<u>\$ 4,257,139</u>	<u>\$ 4,821,212</u>

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA
 Comparative Statement of Cash Flows
 Proprietary Fund
 For the Years Ended June 30, 2004 and 2003

	Business-type Activities - Enterprise Fund	
	2004	2003
Cash flows from operating activities:		
Receipts from customers	\$ 1,423,371	\$ 1,303,696
Payments to suppliers	<u>(613,571)</u>	<u>(679,312)</u>
Net cash provided by operating activities	<u>809,800</u>	<u>624,384</u>
Cash flows from noncapital financing activities:		
Decrease (increase) in customer deposits - net	(365)	1,847
Transfers to other funds	<u>(781,531)</u>	<u>(638,750)</u>
Net cash used by noncapital financing activities	<u>(781,896)</u>	<u>(636,903)</u>
Cash flows from capital and related financing activities:		
Acquisition of property, plant and equipment	<u>(4,930)</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(4,930)</u>	<u>-</u>
Cash flows from investing activities:		
Proceeds of interest-bearing deposits with maturity in excess of ninety days	133,811	115,490
Purchase of interest-bearing deposits with maturity in excess of ninety days	(157,117)	(133,811)
Interest on investments	<u>1,022</u>	<u>1,725</u>
Net cash used by investing activities	<u>(22,284)</u>	<u>(16,596)</u>
Net increase (decrease) in cash and cash equivalents	690	(29,115)
Cash and cash equivalents, beginning of period	<u>69,997</u>	<u>99,112</u>
Cash and cash equivalents, end of period	<u>\$ 70,687</u>	<u>\$ 69,997</u>

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

Comparative Statement of Cash Flows (Continued)
 Proprietary Funds
 For the Years Ended June 30, 2004 and 2003

	Business-type Activities - Enterprise Fund	
	<u>2004</u>	<u>2003</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 216,432	\$ 126,546
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	354,661	354,376
Changes in current assets and liabilities:		
Increase in accounts receivable	(13,218)	(3,766)
Increase in other receivables	222,925	277,220
Increase (decrease) in accounts payable	29,530	(50,670)
Decrease in other accrued liabilities	(530)	(389)
Decrease in other payables	<u>-</u>	<u>(78,933)</u>
Net cash provided by operating activities	<u>809,800</u>	<u>624,384</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash and interest-bearing deposits - unrestricted	43	43
Cash and interest-bearing deposits - restricted	<u>69,954</u>	<u>99,069</u>
Total cash and cash equivalents	<u>69,997</u>	<u>99,112</u>
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	-	43
Cash and interest-bearing deposits - restricted	<u>70,687</u>	<u>69,954</u>
Total cash and cash equivalents	<u>70,687</u>	<u>69,997</u>
Net increase (decrease)	<u>\$ 690</u>	<u>\$ (29,115)</u>

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

Statement of Fiduciary Net Assets
 June 30, 2004
 With Comparative Totals for June 30, 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Due from General Fund	\$ 106,497	\$ 225,914
Due from Fire Department Fund	14,228	14,121
Due from Bonded Debt	<u>-</u>	<u>109,797</u>
Total assets	<u>\$ 120,725</u>	<u>\$ 349,832</u>
LIABILITIES		
Bank overdraft	\$ 15,916	\$ 8,480
Other accrued liabilities	56,168	51,077
Due to Sales Tax Fund	12,647	53,515
Due to Utility Fund	13,230	236,154
Due to Gaming Fund	606	606
Due to Bonded Debt	<u>22,158</u>	<u>-</u>
Total liabilities	<u>\$ 120,725</u>	<u>\$ 349,832</u>
NET ASSETS		
Total net assets	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Oakdale, Louisiana, is an incorporated municipality under the provisions of the Lawrason Act. The City operates under a Mayor-City Council Members form of government.

The accompanying financial statements of the City of Oakdale (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note. For the fiscal year ended June 30, 2004, the City implemented the new financial reporting requirements of GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. As a result, an entirely new financial presentation format has been implemented.

The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City of Oakdale, Louisiana, is a municipal corporation governed by an elected board. These financial statements present only the financial activity of the City of Oakdale, Louisiana, (the primary government). They do not include the data of the component units necessary for reporting in conformity with generally accepted accounting principles.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the City of Oakdale, the primary government, as a whole. They include all funds of the reporting entity, except 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.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City’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.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

The various funds of the City are classified into three categories: governmental, proprietary and fiduciary. 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 City or meets the following criteria:

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

The major funds of the City are described below:

Governmental Funds -

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

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

The Gaming Special Revenue Fund accounts for the receipt and expenditure of grant awards contributed by the Coushatta Tribe of Louisiana.

The Fire Department Special Revenue Fund accounts for the operations of the Fire Department. Funding is provided by the Fire Department maintenance ad valorem tax and operating transfers from the General Fund and Sales Tax Fund.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Capital Projects 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).

Additionally, the City reports the following fund types:

Proprietary Funds -

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

Enterprise funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund. The City's enterprise fund is the Utility Fund.

Fiduciary Fund Type -

Master Bank Account

The Master Bank account is used to account for the operating checking account used by the City.

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.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus

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

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

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

Basis of Accounting

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

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

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 with the following exceptions:

Utility services earned between billing cycles are not recognized as revenue until actually billed. Such amounts would not be material to the financial statements.

Purchases of various operating supplies are regarded as expenditures at the time purchased. Inventories, if any, are not material.

Program revenues

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

Allocation of indirect expenses

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

D. Budgets

Operating budgets of proposed expenditures and the means of financing them were adopted for all governmental funds, consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted or as amended by the City Council Members. Budgetary amendments involving the transfer of funds from one fund to another require approval of the City Council Members. All budgetary appropriations lapse at the end of each fiscal year.

E. Encumbrances

The City does not use the encumbrance method of accounting.

F. Cash and Investments

For purposes of the Statement of Net Assets, cash includes amounts on hand and in demand deposits. Investments are stated at cost.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For the purpose of the statement of cash flows, management considers all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased, to be cash equivalents.

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

H. Restricted Assets

Certain Utility System Enterprise Fund assets are classified as restricted assets because their use is limited by applicable bond covenants or action of the City Council Members. "Customers Deposit Accounts" report funds received from customers for utility deposits. "Sewer Plant Replacement Accounts" report resources set aside for future replacement of the City's sewerage treatment plant. "Water lines replacement account" segregates resources restricted for replacement of the City's water lines.

I. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes and gaming revenue receivables. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account of the time information becomes available which would indicate the uncollectibility of the particular receivable.

J. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Public domain ("infrastructure") assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized retroactively. Pursuant to GASB

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

No. 34, the City qualifies as a "Phase 3" government and, therefore, will report infrastructure assets prospectively.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

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	40 years
Equipment	3-20 years
Utility system and improvements	20-50 years
Vehicles	5 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.

K. Bond Issuance Costs

In governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs for the proprietary fund type are deferred and amortized over the term of the bonds using the effective interest method. Bond issuance costs are recorded as deferred charges.

L. Compensated Absences

All employees are eligible for sick leave after six months of full employment. One week will be authorized for employment up to two years. Thereafter, one additional week will be authorized for each ten year increment of service until a maximum of four weeks is achieved at twenty years of service. Sick leave and vacation are authorized on January 1 of each year with no unused amounts to be carried forward from previous years.

Vacation is earned at the same rate as sick leave after one year of continuous service and, also, does not carry forward. A current liability for compensated absences has been reported in the government-wide statements in the amount of \$41,474 representing the amount due at June 30, 2004 were liquidation of earned amounts to occur.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations

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 general obligation bonds payable and certificates of indebtedness 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.

N. Equity Classifications

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

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

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved.

O. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures/Expenses

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

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

Governmental Funds – By Character:
Proprietary Fund – By Operating and Nonoperating

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

Interfund Transfers

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

P. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 14
Water and sewer revenue	Debt service and utility operations

The City uses unrestricted resources only when restricted resources are fully depleted (i.e. when the City has a choice, restricted resources are utilized first).

Q. Legal Compliance – Budgets

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

- A. The City Clerk prepares a proposed budget and submits same to the Mayor and City Council Members no later than fifteen days prior to the beginning of each fiscal year.
- B. 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.
- C. A public hearing is held on the proposed budget after publication of the call for the hearing.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- D. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance.

Budgets for all Governmental Fund types are adopted consistent with state law which provides, in part, that appropriations for the fund cannot exceed estimated revenues plus fund balance. State law requires a budget amendment for General and Special Revenue Funds when revenue collections plus projected revenue collections for the remainder of the year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures are exceeding budgeted expenditures by five percent or more.

R. Use of Estimates

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

S. Report Classification

Certain previously reported amounts for the year ended June 30, 2003 have been reclassified to conform to the June 30, 2004 classifications.

T. Comparative Data

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

NOTE 2 CHANGES IN ACCOUNTING PRINCIPLES

For the Year Ended June 30, 2004, the City has implemented GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The City

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 2 CHANGES IN ACCOUNTING PRINCIPLES (Continued)

also implemented GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, No. 37, Basic Financial Statements – And Management’s Discussion and Analysis – For State and Local Governments: Omnibus, No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. At June 30, 2004, there was no effect on fund balance as a result of implementation of GASB Statement No. 33.

The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2003 to be restated in terms of “net assets” as follows:

Total fund balances - Governmental Funds - At June 30, 2003		\$ 1,546,049
Add: Cost of capital assets at June 30, 2003	\$ 8,412,135	
Less: Accumulated depreciation at June 30, 2003	<u>(4,000,647)</u>	4,411,488
Less: Bond principal at June 30, 2003	(2,688,000)	
Claims payable at June 30, 2003	(135,306)	
Accrued interest payable at June 30, 2003	<u>(31,990)</u>	(2,855,296)
Net assets at June 30, 2003		<u>\$ 3,102,241</u>

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the City 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 City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the City has cash and interest-bearing deposits (book balances) totaling \$1,458,574 as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Demand deposits	\$ 999,200	\$ -	\$ 999,200
Time deposits	<u>231,570</u>	<u>227,804</u>	<u>459,374</u>
	<u>\$ 1,230,770</u>	<u>\$ 227,804</u>	<u>\$ 1,458,574</u>

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS (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 are secured as follows:

Bank balances	<u>\$ 1,246,642</u>
Federal deposit insurance	400,000
Pledged securities (Category 3)	<u>3,042,781</u>
Total	<u>3,442,781</u>
Excess	<u>\$ 2,196,139</u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 RECEIVABLES

Receivables at June 30, 2004, consisted of the following:

General Fund:	
Accrued franchise taxes receivable	\$ 56,773
Other receivables	715
Taxes receivable	2,212
Utility System Enterprise Fund:	
Accounts receivable - customers	111,170
Accounts receivable - other governmental entities	37,757
Other receivables	2
Special Revenue Funds:	
Sales tax receivable	61,681
Fire insurance tax receivable	20,764
Accounts receivable - gaming revenue	77,961
Capital Projects Fund:	
Street improvements	<u>261,382</u>
	<u>\$ 630,417</u>

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 4 RECEIVABLES (Continued)

Accounts receivable - customers in the Enterprise Fund is shown net of allowance for doubtful accounts of \$78,338 at June 30, 2004.

NOTE 5 DUE FROM/TO OTHER FUNDS

Amounts due from or to other funds at June 30, 2004, consisted of the following:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 106,497
Special Revenue Funds:		
Sales Tax Fund	12,647	-
Fire Department Fund	-	14,228
Gaming Revenue Fund	606	-
Utility System Enterprise Fund	13,230	-
Master Bank Fund	120,725	48,641
Debt Service Fund	22,158	-
	<u>\$ 169,366</u>	<u>\$ 169,366</u>

NOTE 6 RESTRICTED ASSETS

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
Customers' deposit accounts	\$ 38,718	\$ 31,969	\$ 70,687
Debt service account	315,188	-	315,188
Sewer plant replacement accounts	-	157,117	157,117
Police station construction accounts	103,803	-	103,803
Street overlay accounts	<u>136,754</u>	<u>-</u>	<u>136,754</u>
	<u>\$ 594,463</u>	<u>\$ 189,086</u>	<u>\$ 783,549</u>

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 7 CAPITAL ASSETS

	Balance 07/01/03	Additions	Deletions	Balance 06/30/04
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 532,583	\$ -	\$ -	\$ 532,583
Construction in progress	-	1,646,769	-	1,646,769
<i>Other capital assets:</i>				
Buildings	5,410,048	-	-	5,410,048
Vehicles	1,145,091	20,043	-	1,165,134
Equipment, furniture and fixtures	972,183	40,251	-	1,012,434
Improvements other than buildings	352,230	-	-	352,230
Totals	<u>8,412,135</u>	<u>1,707,063</u>	<u>-</u>	<u>10,119,198</u>
<i>Less accumulated depreciation</i>				
Buildings	2,530,369	135,459	-	2,665,828
Vehicles	826,353	58,728	-	885,081
Equipment, furniture and fixtures	554,147	97,276	-	651,423
Improvements other than buildings	89,778	11,934	-	101,712
Total accumulated depreciation	<u>4,000,647</u>	<u>303,397</u>	<u>-</u>	<u>4,304,044</u>
Governmental activities, capital assets, net	<u>\$ 4,411,488</u>	<u>\$ 1,403,666</u>	<u>\$ -</u>	<u>\$ 5,815,154</u>
Business-type activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 70,543	\$ -	\$ -	\$ 70,543
<i>Other capital assets:</i>				
Water system	3,379,886	-	-	3,379,886
Sewer system	6,897,313	4,930	-	6,902,243
Machinery and equipment	80,955	-	-	80,955
Totals	<u>10,428,697</u>	<u>4,930</u>	<u>-</u>	<u>10,433,627</u>
<i>Less accumulated depreciation</i>				
Water system	1,091,141	71,987	-	1,163,128
Sewer system	4,883,398	282,674	-	5,166,072
Machinery and equipment	72,528	-	-	72,528
Total accumulated depreciation	<u>6,047,067</u>	<u>354,661</u>	<u>-</u>	<u>6,401,728</u>
Business-type activities, capital assets, net	<u>\$ 4,381,630</u>	<u>\$ (349,731)</u>	<u>\$ -</u>	<u>\$ 4,031,899</u>

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 7 CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 122,950
Police	43,376
Fire	30,371
Public works	56,785
Health and recreation	<u>49,915</u>
Total depreciation expense	<u>\$ 303,397</u>

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

Water	\$ 71,987
Sewer	<u>282,674</u>
Total depreciation expense	<u>\$ 354,661</u>

NOTE 8 LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets at June 30, 2004, consisted of the following:

Payable from customers' deposit accounts:	
Customers' deposits	<u>\$ 65,038</u>

NOTE 9 LONG-TERM DEBT

The following is a summary of bonds and certificates of indebtedness transactions of the City for the year ended June 30, 2004:

	<u>June 30,</u> <u>2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u> <u>2004</u>
Revolving loan	\$ 1,472,412	\$ 2,588	\$ (10,000)	\$ 1,465,000
General obligation bonds	<u>1,213,000</u>	<u>800,000</u>	<u>(234,000)</u>	<u>1,779,000</u>
	<u>\$ 2,685,412</u>	<u>\$ 802,588</u>	<u>\$ (244,000)</u>	<u>\$ 3,244,000</u>

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 9 LONG-TERM DEBT (CONTINUED)

*Revolving Loan:

Revolving loan payable to the Louisiana Department of Environmental Quality (LDEQ) dated November 1, 1999. Payment terms require interest only from inception through February 1, 2002 at a rate of 3.45% plus an annual administrative fee of one-half of one percent (.5%) of the outstanding principal balance of the loan. The loan is secured by a borrower bond issued to the LDEQ in the amount of \$1,500,000. The bond is secured by a pledge of the City's 1% sales tax

\$1,465,000

General obligation bonds and certificates of indebtedness:

General obligation bonds, Series 2003, dated 7/1/03, original original issue of \$800,000, retired semiannually on March 1 and September 1 in various installment amounts, interest rate not to exceed 6.00% per annum, final maturity 3/1/18

\$ 770,000

Certificates of Indebtedness, Series 2002, dated 10/1/02, original issue of \$850,000, retired semiannually on May 1 and November 1 in various installment amounts, interest rate at 4.95% per annum, final maturity on 5/1/17

790,000

Certificate of Indebtedness, Series 1997, dated 5/1/96, original issue of \$500,000, retired annually in various installment amounts, interest rate at 5.5% per annum, final maturity 5/1/06

120,000

Certificate of Indebtedness, Series 2000, dated 12/1/00, original issue of \$150,000, retired annually in various installment amounts, interest rate at 5.75% per annum, final maturity at 5/1/10

99,000

\$1,779,000

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 9 LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all debt outstanding as of June 30, 2004, including interest payments of \$1,063,077 are as follows:

Year Ending June 30,	Governmental Activities	
	Principal Payments	Interest Payments
2005	\$ 219,000	\$ 123,269
2006	225,000	115,231
2007	176,000	106,918
2008	182,000	101,206
2009	188,000	94,989
2010-2014	1,019,000	339,899
2015-2019	1,010,000	173,715
2020-2024	225,000	7,850
	<u>\$ 3,244,000</u>	<u>\$ 1,063,077</u>

*The revolving loan is anticipated to be an interim construction loan for the period from November 1, 1999 until the completion of the project. Provided the City is not in default with respect to the interim loan and the project is completed within specified time limits, LDEQ will convert the interim loan to a permanent loan. The borrower bond executed by the City as evidence of the interim loan will be appropriately marked after completion of the project and will represent the City's obligation to repay the loan. Terms of the bonded indebtedness require annual principal payments on February 1st of the years 2002-2021. Additional, interest payments will be required on February 1st and August 1st of each year at a rate of 3.45%.

NOTE 10 RESERVED RETAINED EARNINGS - ENTERPRISE FUND

Changes in reserved retained earnings during the year were as follows:

	Sewer Plan Replacement
Balance, beginning of year	\$ 133,811
Interest earned on investment	2,379
Net transfers from operating	<u>20,927</u>
Balance, end of year	<u>\$ 157,117</u>

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 11 RESERVED FUND BALANCES - GOVERNMENTAL FUND TYPES

Reserved fund balances in governmental fund types consisted of the following at June 30, 2004:

General Fund:		
Reserved for prepaid expenses		\$ 25,809
Capital Projects Fund:		
Reserved for police station construction		103,803
Reserved for 2003 street overlay		136,754
Debt Service Funds:		
Reserved for debt service		337,346
Special revenue funds		<u>605,722</u>
		<u>\$1,209,434</u>

NOTE 12 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 City in September or October and are actually billed to the taxpayers in October or November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Allen Parish.

For the year ended June 30, 2004, taxes of 17.40 mills were levied on property with assessed valuations totaling \$15,723,080 and were dedicated as follows:

General corporate purposes	7.00 mills
Fire department	5.77 mills
Debt service	4.63 mills

Total taxes levied were \$273,588.

NOTE 13 ENTERPRISE FUND - OPERATIONS

The City operates a utility system consisting of a water production and distribution system, and a sewerage transmission and treatment plant. Following is a condensed summary of operations of the Utility System Enterprise Fund.

	Water Department	Sewerage Department	Total Enterprise Fund
Operating revenues (including SVC service charges)	\$ 657,028	\$ 556,640	\$ 1,213,668
Operating expenses	<u>271,699</u>	<u>725,537</u>	<u>997,236</u>
Operating income (loss)	<u>\$ 385,329</u>	<u>\$ (168,897)</u>	<u>\$ 216,432</u>

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 14 SPECIAL REVENUE FUNDS - SALES TAX

Sales Tax Ordinances

Proceeds of the one percent sales tax are to be used for the purpose of constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works, waterworks facilities, streets, alleys, bridges, drains and drainage facilities; public buildings, purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, buildings, improvements and facilities; title to which shall be in the public, or for any one or more said purposes; and for the purpose of paying principal and interest on any bonded or funded indebtedness of the City incurred for any of the said purposes.

Proceeds of the three-tenths of one percent sales tax are dedicated for the purpose of improving, maintaining, and operating the Police and Fire Departments of the City, and for the purpose of paying the costs of the acquisition of equipment for the Department of Public Works.

The City received 24 percent of sales tax revenues from one taxpayer for the year ended June 30, 2004.

Flow of Funds - Restrictions on Use

Under the terms of the Sales Tax Refunding Bonds, Series 1999 and the Public Improvement Sales Tax Bonds, Series 1999, all proceeds derived from the levy and collection of the City's one percent sales tax will be deposited in the Sales Tax Fund, a separate and special bank account established and maintained by the City. Out of the proceeds of the tax on deposit, after the reasonable and necessary costs and expenses of collection and administration of the tax have been paid, monies remaining are to be used in the following order of priority and for the following express purposes:

The establishment and maintenance of Sales Tax Bond Sinking Funds for the payment of bonds and interest as they mature. Monthly transfers of sums equal to one-sixth of the interest falling due on the next interest payment date and one-twelfth of the bond principal falling due on the next principal payment date are to be made to this fund on or before the twentieth day of each month.

The establishment of a Reserve Fund. The Reserve Fund is to be retained solely for the purpose of paying the principal and interest on bonds payable from the aforementioned Public Improvement Sales Tax Bonds, Series 1999 issuance. The requirements are that the City will, on or before the twentieth of each month, deposit 25% of the amount required to be paid into the Sinking Fund until such time as there has been accumulated therein a sum equal to the lesser of 10% of the proceeds of the bonds or the maximum scheduled principal and interest requirements in any succeeding bond year.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 14 SPECIAL REVENUE FUNDS - SALES TAX (Continued)

Any money remaining after making the above required payments may be used for any purpose for which the imposition of the sales tax is authorized or for the purpose of retiring bonds in advance of their maturity.

NOTE 15 PENSION PLANS

Eligible employees of the City participate in one of three multiple-employer public employee retirement systems (PERS) which are controlled and administered by separate boards of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Benefits under each system are established and amended by state statute. Pertinent information for each system follows:

Municipal Employees' Retirement System

The system, established by provisions of Louisiana Revised Statute 11:1731, requires eligible employees to contribute 9.25% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 11% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2004, 2003, and 2002, were \$72,745, \$55,605, and \$44,366, respectively.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Employee's Retirement System, 7937 Office Park Building, Baton Rouge, LA 70809.

Municipal Police Employee's Retirement System

The system, established by provisions of Louisiana Revised Statute 11:2211, requires eligible employees to contribute 7.5% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 15.25% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2004, 2003, and 2002, were \$71,990, \$41,457, and \$42,498, respectively.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Police Employee's Retirement System, P.O. Box 94095, Capital Station, Baton Rouge, LA 70804-9095.

CITY OF OAKDALE, LOUISIANA

Notes to Financial Statements

NOTE 15 PENSION PLANS (Continued)

Louisiana State Employees' Retirement System

The system, established by provisions of Louisiana Revised Statute 11:401, requires eligible employees to contribute 11.5% of their annual covered salary to the system while the City is required to contribute at the statutory rate of 12.4% of the total annual covered salary. The City's contributions to the system for the years ended June 30, 2004, 2003, and 2002, were \$3,820, \$2,780, and \$1,820, respectively.

NOTE 16 COMPENSATION OF TOWN OFFICIALS

A detail of compensation paid to the Mayor and City Council Members for the year ended June 30, 2004 follows:

Bobby Abrusley, Mayor	\$ 29,364
Aldermen:	
Nathan Benjamin	6,900
Roy Gordon	6,600
George A. Ashy II	6,300
Vernon Ware	7,200
Greg Strother	7,200

NOTE 17 LEASES

The City leases City-owned land and buildings. These leases are classified as operating leases. The terms of the various leases are all one year or less, with no automatic renewal clauses contained in the lease agreements. Under the terms of the lease agreements, there are no contingent rentals, and the City received minimum lease payments totaling \$71,071 during the year ended June 30, 2004. The cost of land and buildings rented totaled \$2,981,004.

NOTE 18 STATEMENT OF CASH FLOWS

Below is a reconciliation of cash and cash equivalents per the statement of cash flows and the balance sheet:

Cash and cash equivalents	\$ -
Investments	<u>70,687</u>
	<u>\$ 70,687</u>

SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAKDALE, LOUISIANA
General Fund

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

	2004		Actual	Variance - Favorable (Unfavorable)	2003 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$ 337,815	\$ 337,815	\$ 383,247	\$ 45,432	\$ 384,164
Licenses and permits	182,000	182,000	194,584	12,584	201,612
Intergovernmental	23,900	23,900	46,117	22,217	277,929
Fines and forfeits	30,000	30,000	28,728	(1,272)	38,119
Miscellaneous	<u>134,960</u>	<u>137,960</u>	<u>129,798</u>	<u>(8,162)</u>	<u>146,424</u>
Total revenues	<u>708,675</u>	<u>711,675</u>	<u>782,474</u>	<u>70,799</u>	<u>1,048,248</u>
Expenditures:					
Current -					
General government	534,335	519,940	586,577	(66,637)	657,016
Public safety	898,047	850,900	881,067	(30,167)	780,257
Health and recreation	178,156	163,330	163,659	(329)	160,862
Public works	386,376	411,500	394,740	16,760	404,927
Grant expenditures	-	-	47,817	(47,817)	211,142
Total expenditures	<u>1,996,914</u>	<u>1,945,670</u>	<u>2,073,860</u>	<u>(128,190)</u>	<u>2,214,204</u>
Deficiency of revenues over expenditures	<u>(1,288,239)</u>	<u>(1,233,995)</u>	<u>(1,291,386)</u>	<u>(57,391)</u>	<u>(1,165,956)</u>
Other financing sources (uses):					
Operating transfers in	1,542,229	1,307,979	1,426,306	118,327	1,256,634
Operating transfers out	<u>(191,575)</u>	<u>(161,569)</u>	<u>(141,889)</u>	<u>19,680</u>	<u>(66,000)</u>
Total other financing sources	<u>1,350,654</u>	<u>1,146,410</u>	<u>1,284,417</u>	<u>138,007</u>	<u>1,190,634</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	62,415	(87,585)	(6,969)	80,616	24,678
Fund balance, beginning	<u>32,778</u>	<u>32,778</u>	<u>32,778</u>	-	<u>8,100</u>
Fund balance, ending	<u>\$ 95,193</u>	<u>\$ (54,807)</u>	<u>\$ 25,809</u>	<u>\$ 80,616</u>	<u>\$ 32,778</u>

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Sales Tax Fund

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

	2004			Variance - Favorable (Unfavorable)	2003 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 848,000	\$ 871,000	\$ 888,726	\$ 17,726	\$ 838,697
Miscellaneous	<u>4,000</u>	<u>4,000</u>	<u>272</u>	<u>(3,728)</u>	<u>364</u>
Total revenues	<u>852,000</u>	<u>875,000</u>	<u>888,998</u>	<u>13,998</u>	<u>839,061</u>
Expenditures:					
General government -					
Sales tax collection fees	-	-	<u>18,132</u>	<u>(18,132)</u>	<u>16,774</u>
Total expenditures	-	-	<u>18,132</u>	<u>(18,132)</u>	<u>16,774</u>
Excess of revenues over expenditures	<u>852,000</u>	<u>875,000</u>	<u>870,866</u>	<u>(4,134)</u>	<u>822,287</u>
Other financing uses:					
Operating transfers out	<u>(852,000)</u>	<u>(875,000)</u>	<u>(870,866)</u>	<u>4,134</u>	<u>822,287</u>
Total other financing sources (uses)	<u>(852,000)</u>	<u>(875,000)</u>	<u>(870,866)</u>	<u>4,134</u>	<u>822,287</u>
Excess of revenues over expenditures and other uses	-	-	-	-	-
Fund balance, beginning	<u>129,294</u>	<u>129,294</u>	<u>129,294</u>	-	<u>129,294</u>
Fund balance, ending	<u>\$ 129,294</u>	<u>\$ 129,294</u>	<u>\$ 129,294</u>	<u>\$ -</u>	<u>\$ 129,294</u>

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Gaming Revenue Fund

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

	2004		Actual	Variance - Favorable (Unfavorable)	2003 Actual
	Budget				
	Original	Final			
Revenues:					
Intergovernmental -					
Miscellaneous	\$ 332,479	\$ 332,479	\$ 328,438	\$ (4,041)	\$ 410,157
Total revenues	<u>332,479</u>	<u>332,479</u>	<u>328,438</u>	<u>(4,041)</u>	<u>410,157</u>
Expenditures:					
General government	-	-	672	(672)	5,878
Public safety	-	-	14,486	(14,486)	25,696
Health and recreation	-	-	3,000	(3,000)	-
Public works	-	-	33,115	(33,115)	10,958
Miscellaneous	-	-	-	-	3,322
Capital expenditures	251,127	247,727	60,293	187,434	81,639
Total expenditures	<u>251,127</u>	<u>247,727</u>	<u>111,566</u>	<u>136,161</u>	<u>127,493</u>
Excess of revenues over expenditures	81,352	84,752	216,872	132,120	282,664
Other financing uses:					
Operating transfers out	(77,652)	(81,052)	(107,445)	(26,393)	(98,073)
Total other financing uses	<u>(77,652)</u>	<u>(81,052)</u>	<u>(107,445)</u>	<u>(26,393)</u>	<u>(98,073)</u>
Excess of revenues over expenditures and other uses	3,700	3,700	109,427	105,727	184,591
Fund balance, beginning	<u>367,001</u>	<u>367,001</u>	<u>367,001</u>	<u>-</u>	<u>182,410</u>
Fund balance, ending	<u>\$ 370,701</u>	<u>\$ 370,701</u>	<u>\$ 476,428</u>	<u>\$ 105,727</u>	<u>\$ 367,001</u>

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Fire Department Fund

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

	2004		Actual	Variance - Favorable (Unfavorable)	2003 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes -					
Ad valorem taxes	\$ 92,133	\$ 92,133	\$ 86,494	\$ (5,639)	\$ 88,419
Fire insurance tax	21,000	21,000	20,764	(236)	19,392
Intergovernmental -					
Allen Parish Policy Jury	1,320	1,320	-	(1,320)	1,210
Miscellaneous	1,000	1,000	483	(517)	2,662
Total revenues	<u>115,453</u>	<u>115,453</u>	<u>107,741</u>	<u>(7,712)</u>	<u>111,683</u>
Expenditures:					
Public safety -					
Salaries	124,585	123,000	123,368	(368)	122,411
Fringe benefits	22,311	20,630	22,495	(1,865)	19,484
Office and operating supplies	10,996	14,500	10,734	3,766	6,310
Uniforms	800	1,000	769	231	245
Repairs and maintenance	10,194	10,200	11,709	(1,509)	8,897
Telephone and utilities	13,994	11,200	13,218	(2,018)	11,846
Training	300	1,000	218	782	144
Insurance	8,033	7,300	7,356	(56)	6,932
Gas, oil, tires, and batteries	2,626	3,000	2,698	302	1,772
Miscellaneous	-	500	154	346	-
Total expenditures	<u>193,839</u>	<u>192,330</u>	<u>192,719</u>	<u>(389)</u>	<u>178,041</u>
Deficiency of revenues under expenditures	(78,386)	(76,877)	(84,978)	(8,101)	(66,358)
Other financing sources:					
Operating transfers in	78,386	76,877	84,978	8,101	66,358
Total other financing sources	<u>78,386</u>	<u>76,877</u>	<u>84,978</u>	<u>8,101</u>	<u>66,358</u>
Deficiency of revenues and other sources over expenditures	-	-	-	-	-
Fund balance, beginning	-	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF OAKDALE, LOUISIANA
Debt Service Fund

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

	2004			Variance - Favorable (Unfavorable)	2003 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes - ad valorem	\$ 87,585	\$ 87,585	\$ 72,950	\$ (14,635)	\$ -
Miscellaneous	<u>1,750</u>	<u>1,750</u>	<u>2,789</u>	<u>1,039</u>	<u>5,267</u>
Total revenues	<u>89,335</u>	<u>89,335</u>	<u>75,739</u>	<u>(13,596)</u>	<u>5,267</u>
Expenditures:					
Debt service -					
Principal, interest, fiscal charges and advance refunding escrow	<u>282,509</u>	<u>349,592</u>	<u>377,657</u>	<u>(28,065)</u>	<u>303,261</u>
Deficiency of revenues under expenditures	<u>(193,174)</u>	<u>(260,257)</u>	<u>(301,918)</u>	<u>(41,661)</u>	<u>(297,994)</u>
Other financing sources:					
Operating transfers in	<u>194,256</u>	<u>283,612</u>	<u>390,447</u>	<u>106,835</u>	<u>302,119</u>
Total other financing sources	<u>194,256</u>	<u>283,612</u>	<u>390,447</u>	<u>106,835</u>	<u>302,119</u>
Excess of revenues and other sources over expenditures	1,082	23,355	88,529	65,174	4,125
Fund balance, beginning	<u>248,817</u>	<u>248,817</u>	<u>248,817</u>	<u>-</u>	<u>244,692</u>
Fund balance, ending	<u>\$ 249,899</u>	<u>\$ 272,172</u>	<u>\$ 337,346</u>	<u>\$ 65,174</u>	<u>\$ 248,817</u>

CITY OF OAKDALE, LOUISIANA
Capital Projects Fund

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

	2004			Variance - Favorable (Unfavorable)	2003 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Miscellaneous	\$ 49,198	\$ -	\$ 319,167	\$ 319,167	\$ 318,017
Total Revenues	<u>49,198</u>	<u>-</u>	<u>319,167</u>	<u>319,167</u>	<u>318,017</u>
Expenditures:					
Current -					
Capital outlay	<u>1,526,565</u>	<u>-</u>	<u>1,646,769</u>	<u>(1,646,769)</u>	<u>399,858</u>
Deficiency of revenues under expenditures	<u>(1,477,367)</u>	<u>-</u>	<u>(1,327,602)</u>	<u>1,327,602</u>	<u>(81,841)</u>
Other financing sources:					
Bond proceeds	<u>800,000</u>	<u>-</u>	<u>800,000</u>	<u>800,000</u>	<u>850,000</u>
Total other financing services	<u>800,000</u>	<u>-</u>	<u>800,000</u>	<u>800,000</u>	<u>850,000</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>(677,367)</u>	<u>-</u>	<u>(527,602)</u>	<u>(527,602)</u>	<u>768,159</u>
Fund balance, beginning	<u>768,159</u>	<u>90,792</u>	<u>768,159</u>	<u>677,367</u>	<u>-</u>
Fund balance, ending	<u>\$ 90,792</u>	<u>\$ 90,792</u>	<u>\$ 240,557</u>	<u>\$ 149,765</u>	<u>\$ 768,159</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

GENERAL FUND

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

CITY OF OAKDALE, LOUISIANA
General Fund

Comparative Balance Sheets
June 30, 2004 and 2003

ASSETS

	2004	2003
Cash	\$ 222,200	\$ 296,282
Accounts receivable	59,704	87,190
Prepaid expenditures	25,809	32,778
Total assets	\$ 307,713	\$ 416,250

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$ 175,407	\$ 157,558
Due to other funds - Master Bank	106,497	225,914
Total liabilities	281,904	383,472
Fund balance		
Reserved for prepaid expenditures	25,809	32,778
Total liabilities and fund balance	\$ 307,713	\$ 416,250

CITY OF OAKDALE, LOUISIANA
General Fund

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

	2004			Variance - Favorable (Unfavorable)	2003 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 337,815	\$ 337,815	\$ 383,247	\$ 45,432	\$ 384,164
Licenses and permits	182,000	182,000	194,584	12,584	201,612
Intergovernmental	23,900	23,900	46,117	22,217	277,929
Fines and forfeits	30,000	30,000	28,728	(1,272)	38,119
Miscellaneous	<u>134,960</u>	<u>137,960</u>	<u>129,798</u>	<u>(8,162)</u>	<u>146,424</u>
Total revenues	<u>708,675</u>	<u>711,675</u>	<u>782,474</u>	<u>70,799</u>	<u>1,048,248</u>
Expenditures:					
Current -					
General government	534,335	519,940	586,577	(66,637)	657,016
Public safety	898,047	850,900	881,067	(30,167)	780,257
Health and recreation	178,156	163,330	163,659	(329)	160,862
Public works	386,376	411,500	394,740	16,760	404,927
Grant expenditures	<u>-</u>	<u>-</u>	<u>47,817</u>	<u>(47,817)</u>	<u>211,142</u>
Total expenditures	<u>1,996,914</u>	<u>1,945,670</u>	<u>2,073,860</u>	<u>(128,190)</u>	<u>2,214,204</u>
Deficiency of revenues over expenditures	<u>(1,288,239)</u>	<u>(1,233,995)</u>	<u>(1,291,386)</u>	<u>(57,391)</u>	<u>(1,165,956)</u>
Other financing sources (uses):					
Operating transfers in	1,542,229	1,307,979	1,426,306	118,327	1,256,634
Operating transfers out	<u>(191,575)</u>	<u>(161,569)</u>	<u>(141,889)</u>	<u>19,680</u>	<u>(66,000)</u>
Total other financing sources	<u>1,350,654</u>	<u>1,146,410</u>	<u>1,284,417</u>	<u>138,007</u>	<u>1,190,634</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	62,415	(87,585)	(6,969)	80,616	24,678
Fund balance, beginning	<u>32,778</u>	<u>32,778</u>	<u>32,778</u>	<u>-</u>	<u>8,100</u>
Fund balance, ending	<u>\$ 95,193</u>	<u>\$ (54,807)</u>	<u>\$ 25,809</u>	<u>\$ 80,616</u>	<u>\$ 32,778</u>

CITY OF OAKDALE, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 2004
With Comparative Actual Amounts for Year Ended June 30, 2003

	2004				
	Budget		Actual	Variance - Favorable (Unfavorable)	2003 Actual
	Original	Final			
Taxes:					
Ad valorem	\$ 97,415	\$ 97,415	\$ 101,708	\$ 4,293	\$ 107,267
Franchise	226,500	226,500	270,278	43,778	259,009
Beer tax	13,900	13,900	11,261	(2,639)	17,888
	<u>337,815</u>	<u>337,815</u>	<u>383,247</u>	<u>45,432</u>	<u>384,164</u>
Licenses and permits:					
Occupational licenses	175,000	175,000	187,045	12,045	194,726
Building permits	7,000	7,000	7,539	539	6,886
	<u>182,000</u>	<u>182,000</u>	<u>194,584</u>	<u>12,584</u>	<u>201,612</u>
Intergovernmental:					
Housing authority - in lieu of taxes	17,900	17,900	16,832	(1,068)	17,424
State of Louisiana - State grant	-	-	22,903	22,903	251,680
Street maintenance	6,000	6,000	3,129	(2,871)	3,129
Video poker	-	-	-	-	338
Allen Parish Police Jury - Other parish receipts	-	-	3,253	3,253	5,358
	<u>23,900</u>	<u>23,900</u>	<u>46,117</u>	<u>22,217</u>	<u>277,929</u>
Fines and forfeits:					
Court fines	26,000	26,000	24,976	(1,024)	33,666
Penalties	4,000	4,000	3,752	(248)	4,453
	<u>30,000</u>	<u>30,000</u>	<u>28,728</u>	<u>(1,272)</u>	<u>38,119</u>
Miscellaneous:					
DMV fees	19,360	19,360	17,714	(1,646)	18,358
Interest income	3,000	3,000	3,783	783	5,377
Rental income	72,000	72,000	71,071	(929)	81,275
Care of prisoners	600	600	441	(159)	1,417
Sale of surplus equipment	-	3,000	-	(3,000)	-
Miscellaneous	40,000	40,000	36,789	(3,211)	39,997
	<u>134,960</u>	<u>137,960</u>	<u>129,798</u>	<u>(8,162)</u>	<u>146,424</u>
Total revenues	<u>\$ 708,675</u>	<u>\$ 711,675</u>	<u>\$ 782,474</u>	<u>\$ 70,799</u>	<u>\$ 1,048,248</u>

CITY OF OAKDALE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended June 30, 2004
With Comparative Actual Amounts for Year Ended June 30, 2003

	2004				
	Budget		Actual	Variance - Favorable (Unfavorable)	2003 Actual
	Original	Final			
General government:					
Legislative -					
Salaries	\$ 34,200	\$ 34,200	\$ 34,200	\$ -	\$ 34,200
Retirement	3,014	4,018	3,077	941	2,407
Employee health insurance	5,964	5,964	6,518	(554)	2,869
Payroll taxes	814	814	815	(1)	837
Travel and meetings	4494	3,500	4,948	(1,448)	3,366
Dues, subscriptions, and memberships	90	90	175	(85)	2,525
	<u>48,576</u>	<u>48,586</u>	<u>49,733</u>	<u>(1,147)</u>	<u>46,204</u>
Judicial -					
Salaries	43,000	43,000	47,204	(4,204)	38,377
Retirement	3,845	5,125	3,820	1,305	2,780
Employee health insurance	3,000	3,000	5,863	(2,863)	2,514
Unemployment	50	50	-	50	-
Payroll taxes	443	443	476	(33)	550
	<u>50,338</u>	<u>51,618</u>	<u>57,363</u>	<u>(5,745)</u>	<u>44,221</u>
Executive -					
Salaries	29,350	29,350	29,364	(14)	29,364
Retirement	3,229	4,305	3,304	1,001	2,533
Employee health insurance	2,763	2,763	2,854	(91)	3,182
Travel	3,198	3,198	2,918	280	1,779
	<u>38,540</u>	<u>39,616</u>	<u>38,440</u>	<u>1,176</u>	<u>36,858</u>
Legal -					
Salaries	21,600	21,600	21,600	-	21,600
Employee health insurance	3,110	3,110	3,114	(4)	1,030
Unemployment	43	43	-	43	-
Payroll taxes	270	270	311	(41)	313
	<u>25,023</u>	<u>25,023</u>	<u>25,025</u>	<u>(2)</u>	<u>22,943</u>
Financial administration -					
Salaries	100,000	104,000	99,728	4,272	104,554
Retirement	10,600	14,097	11,039	3,058	9,019
Employee health insurance	15,000	15,000	15,275	(275)	13,834
Payroll taxes	1,293	1,300	1,197	103	1,210
Office and operating supplies	23,000	25,000	21,226	3,774	33,710

(Continued)

CITY OF OAKDALE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2004
With Comparative Actual Amounts for Year Ended June 30, 2003

	2004				
	Budget		Actual	Variance - Favorable (Unfavorable)	2003 Actual
	Original	Final			
Repairs and maintenance	9,500	12,000	9,341	2,659	7,015
Professional services	27,699	21,000	28,994	(7,994)	27,475
Telephone	7,200	7,300	6,559	741	8,703
Travel and meetings	1,200	1,000	1,462	(462)	1,598
Printing and advertising	2,500	5,000	2,609	2,391	13,748
Utilities	22,000	22,000	17,246	4,754	21,613
Insurance	56,000	56,500	90,518	(34,018)	86,828
Miscellaneous	14,766	14,700	19,205	(4,505)	35,499
Civil service board	700	700	720	(20)	720
Heliport expenses	-	-	2,400	(2,400)	4,800
Gas, oil, tires, and batteries	400	500	386	114	369
Litigation expense	65,000	40,000	72,439	(32,439)	104,186
Computer maintenance agreement	5,000	5,000	3,334	1,666	13,557
Christmas lighting	-	-	8,452	(8,452)	3,560
Capital outlay	-	-	-	-	14,792
Industrial buildings expenses	10,000	10,000	-	10,000	-
Dues and subscriptions	-	-	3,886	(3,886)	-
	<u>371,858</u>	<u>355,097</u>	<u>416,016</u>	<u>(60,919)</u>	<u>506,790</u>
 Total general government	 <u>534,335</u>	 <u>519,940</u>	 <u>586,577</u>	 <u>(66,637)</u>	 <u>657,016</u>
 Public safety:					
Salaries	560,231	530,000	545,008	(15,008)	545,827
Retirement	72,000	96,000	71,990	24,010	41,194
Employee health insurance	49,800	50,000	50,167	(167)	46,720
Payroll taxes	11,125	11,100	11,109	(9)	11,152
Office and operating supplies	41,117	21,000	37,724	(16,724)	15,706
Repairs and maintenance	30,620	21,000	29,655	(8,655)	14,775
Telephone	13,000	12,000	12,608	(608)	12,523
Witness fees	11,000	11,000	9,333	1,667	9,675
Utilities	13,000	12,800	13,246	(446)	11,853
Insurance	31,000	31,000	27,842	3,158	16,488
Uniform expense	9,947	4,000	9,113	(5,113)	3,564
Personnel training	5,000	4,000	5,328	(1,328)	4,155
Care of prisoners	25,058	25,000	29,357	(4,357)	14,624
Gas, oil, tires, and batteries	25,000	22,000	25,818	(3,818)	16,794
Capital expenditures	-	-	1,515	(1,515)	11,866
Miscellaneous	150	-	1,254	(1,254)	3,341
	<u>898,048</u>	<u>850,900</u>	<u>881,067</u>	<u>(30,167)</u>	<u>780,257</u>

(Continued)

CITY OF OAKDALE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 2004
With Comparative Actual Amounts for Year Ended June 30, 2003

	2004		Actual	Variance - Favorable (Unfavorable)	2003 Actual
	Budget				
	Original	Final			
Health and Recreation:					
Salaries	63,000	63,000	61,753	1,247	66,849
Retirement	6,500	9,450	6,218	3,232	4,870
Employee health insurance	8,700	8,700	8,575	125	10,715
Payroll taxes	980	980	861	119	933
Office and operating supplies	13,953	12,500	11,374	1,126	10,955
Repairs and maintenance	48,974	33,500	36,672	(3,172)	33,511
Utilities	13,198	13,200	16,842	(3,642)	16,106
Insurance	2,200	2,200	2,154	46	3,766
Coroner	13,132	13,000	11,389	1,611	8,978
Gas, oil, tires, and batteries	4,745	4,800	4,461	339	3,320
Miscellaneous	2,774	2,000	3,360	(1,360)	859
	<u>178,156</u>	<u>163,330</u>	<u>163,659</u>	<u>(329)</u>	<u>160,862</u>
Public works:					
Salaries	187,169	190,000	185,394	4,606	188,060
Retirement	16,000	28,500	16,194	12,306	13,756
Employee health insurance	21,811	20,690	21,903	(1,213)	25,175
Payroll taxes	2,710	2,710	2,858	(148)	2,983
Office and operating supplies	26,000	26,000	22,087	3,913	34,381
Repairs and maintenance	26,000	26,000	28,170	(2,170)	26,916
Utilities	75,000	77,000	77,332	(332)	72,643
Insurance	4,600	4,600	4,248	352	5,646
Miscellaneous expenses	10,411	21,000	19,725	1,275	7,780
Gas, oil, tires, and batteries	16,674	15,000	16,829	(1,829)	16,927
Capital expenditures	-	-	-	-	10,660
	<u>386,375</u>	<u>411,500</u>	<u>394,740</u>	<u>16,760</u>	<u>404,927</u>
Grant expenditures	-	-	47,817	(47,817)	211,142
Total expenditures	<u>\$ 1,996,914</u>	<u>\$ 1,945,670</u>	<u>\$ 2,073,860</u>	<u>\$ (128,190)</u>	<u>\$ 2,214,204</u>

SPECIAL REVENUE FUNDS

- Sales Tax Fund - To account for the receipt and expenditure of funds received from the City's two sales taxes. Proceeds of the City's one percent sales tax are dedicated to (1) construction, acquiring, extending, improving, operating, and maintaining sewers and sewerage disposal works, waterworks facilities, streets, alleys, bridges, drains and drainage facilities, public buildings (2) acquiring the necessary land, equipment, and furnishings for the aforesaid public works, buildings, improvements, and facilities, and (3) paying principal and interest on any bonded or funded indebtedness of the City incurred for any of said purposes. Proceeds of the City's three-tenths of one percent sales tax are dedicated to (1) improving, maintaining, and operating the Police and Fire departments of the City, and (2) paying the costs of the acquisition of one hundred thousand dollars (\$100,000) of equipment for the Public Works Department of the City.
- Fire Department Fund - To account for the operations of the Fire Department. Funding is provided by the Fire Department maintenance ad valorem tax and operating transfers from the General Fund and Sales Tax Fund.
- Gaming Revenue Fund - To account for the receipt and expenditure of grant awards contributed by the Coushatta Tribe of Louisiana.

CITY OF OAKDALE, LOUISIANA
Special Revenue Funds

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

	Sales Tax Fund	Fire Department Fund	Gaming Revenue Fund	2004 Total	2003 Total
ASSETS					
Cash	\$ 54,966	\$ -	\$ 397,861	\$ 452,827	\$ 307,481
Receivables:					
Sales tax	61,681	-	-	61,681	52,499
Fire insurance tax	-	20,764	-	20,764	19,392
Gaming revenue	-	-	77,961	77,961	82,194
Due from other funds:					
Master Bank	<u>12,647</u>	<u>-</u>	<u>606</u>	<u>13,253</u>	<u>54,121</u>
 Total assets	 <u>\$ 129,294</u>	 <u>\$ 20,764</u>	 <u>\$ 476,428</u>	 <u>\$ 626,486</u>	 <u>\$ 515,687</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ 6,536	\$ -	\$ 6,536	\$ 5,271
Due to other funds	<u>-</u>	<u>14,228</u>	<u>-</u>	<u>14,228</u>	<u>14,121</u>
Total liabilities	<u>-</u>	<u>20,764</u>	<u>-</u>	<u>20,764</u>	<u>19,392</u>
 Fund balances - reserved	 <u>129,294</u>	 <u>-</u>	 <u>476,428</u>	 <u>605,722</u>	 <u>496,295</u>
 Total liabilities and fund balances	 <u>\$ 129,294</u>	 <u>\$ 20,764</u>	 <u>\$ 476,428</u>	 <u>\$ 626,486</u>	 <u>\$ 515,687</u>

CITY OF OAKDALE, LOUISIANA
Special Revenue Funds

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

	2004			2003
	Sales Tax Fund	Fire Department Fund	Gaming Revenue Fund	
Revenues:				
Taxes	\$ 888,726	\$ 107,258	\$ -	\$ 946,872
Intergovernmental	-	-	-	1,210
Miscellaneous	272	483	328,438	412,819
Total revenues	<u>888,998</u>	<u>107,741</u>	<u>328,438</u>	<u>1,360,901</u>
Expenditures:				
Current -				
General government	18,132	-	672	22,652
Public safety	-	192,719	14,486	203,737
Health and recreation	-	-	3,000	3,322
Public works	-	-	33,115	10,958
Capital outlay	-	-	60,293	81,639
Total expenditures	<u>18,132</u>	<u>192,719</u>	<u>111,566</u>	<u>322,308</u>
Excess (deficiency) of revenues over expenditures	<u>870,866</u>	<u>(84,978)</u>	<u>216,872</u>	<u>1,038,593</u>
Other financing sources (uses):				
Operating transfers in	-	84,978	-	66,358
Operating transfers out	<u>(870,866)</u>	<u>-</u>	<u>(107,445)</u>	<u>(920,360)</u>
Total other financing sources (uses)	<u>(870,866)</u>	<u>84,978</u>	<u>(107,445)</u>	<u>(854,002)</u>
Excess of revenues and other sources over expenditures and other uses	-	-	109,427	184,591
Fund balances, beginning	<u>129,294</u>	<u>-</u>	<u>367,001</u>	<u>311,704</u>
Fund balances, ending	<u>\$ 129,294</u>	<u>\$ -</u>	<u>\$ 476,428</u>	<u>\$ 496,295</u>

CITY OF OAKDALE, LOUISIANA
Special Revenue Funds
Sales Tax Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual
Year Ended June 30, 2004
With Comparative Actual Amounts for Year Ended June 30, 2003

	2004		Actual	Variance - Favorable (Unfavorable)	2003 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$ 848,000	\$ 871,000	\$ 888,726	\$ 17,726	\$ 838,697
Miscellaneous	4,000	4,000	272	(3,728)	364
Total revenues	<u>852,000</u>	<u>875,000</u>	<u>888,998</u>	<u>13,998</u>	<u>839,061</u>
Expenditures:					
General government -					
Sales tax collection fees	-	-	18,132	(18,132)	16,774
Total expenditures	-	-	18,132	(18,132)	16,774
Excess of revenues over expenditures	<u>852,000</u>	<u>875,000</u>	<u>870,866</u>	<u>(4,134)</u>	<u>822,287</u>
Other financing uses:					
Operating transfers out	(852,000)	(875,000)	(870,866)	4,134	822,287
Total other financing sources (uses)	<u>(852,000)</u>	<u>(875,000)</u>	<u>(870,866)</u>	<u>4,134</u>	<u>822,287</u>
Excess of revenues over expenditures and other uses	-	-	-	-	-
Fund balance, beginning	<u>129,294</u>	<u>129,294</u>	<u>129,294</u>	-	<u>129,294</u>
Fund balance, ending	<u>\$ 129,294</u>	<u>\$ 129,294</u>	<u>\$ 129,294</u>	<u>\$ -</u>	<u>\$ 129,294</u>

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Fire Department Fund

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

	2004		Actual	Variance - Favorable (Unfavorable)	2003 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes -					
Ad valorem taxes	\$ 92,133	\$ 92,133	\$ 86,494	\$ 5,639	\$ 88,419
Fire insurance tax	21,000	21,000	20,764	236	19,392
Intergovernmental -					
Allen Parish Policy Jury	1,320	1,320	-	1,320	1,210
Miscellaneous	1,000	1,000	483	517	2,662
Total revenues	<u>115,453</u>	<u>115,453</u>	<u>107,741</u>	<u>7,712</u>	<u>111,683</u>
Expenditures:					
Public safety -					
Salaries	124,585	123,000	123,368	(368)	122,411
Fringe benefits	22,311	20,630	22,495	(1,865)	19,484
Office and operating supplies	10,996	14,500	10,734	3,766	6,310
Uniforms	800	1,000	769	231	245
Repairs and maintenance	10,194	10,200	11,709	(1,509)	8,897
Telephone and utilities	13,994	11,200	13,218	(2,018)	11,846
Training	300	1,000	218	782	144
Insurance	8,033	7,300	7,356	(56)	6,932
Gas, oil, tires, and batteries	2,626	3,000	2,698	302	1,772
Miscellaneous	-	500	154	346	-
Total expenditures	<u>193,839</u>	<u>192,330</u>	<u>192,719</u>	<u>(389)</u>	<u>178,041</u>
Deficiency of revenues over expenditures	(78,386)	(76,877)	(84,978)	8,101	(66,358)
Other financing sources:					
Operating transfers in	78,386	76,877	84,978	(8,101)	66,358
Total other financing sources	<u>78,386</u>	<u>76,877</u>	<u>84,978</u>	<u>(8,101)</u>	<u>66,358</u>
Deficiency of revenues and other sources over expenditures	-	-	-	-	-
Fund balance, beginning	-	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Gaming Revenue Fund

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

	2004			Variance - Favorable (Unfavorable)	2003 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Miscellaneous	<u>\$ 332,479</u>	<u>\$ 332,479</u>	<u>\$ 328,438</u>	<u>\$ 4,041</u>	<u>\$ 410,157</u>
Total revenues	<u>332,479</u>	<u>332,479</u>	<u>328,438</u>	<u>4,041</u>	<u>410,157</u>
Expenditures:					
General government	-	-	672	(672)	5,878
Public safety	-	-	14,486	(14,486)	25,696
Health and recreation	-	-	3,000	(3,000)	-
Public works	-	-	33,115	(33,115)	10,958
Miscellaneous	-	-	-	-	3,322
Capital expenditures	<u>251,127</u>	<u>247,727</u>	<u>60,293</u>	<u>187,434</u>	<u>81,639</u>
Total expenditures	<u>251,127</u>	<u>247,727</u>	<u>111,566</u>	<u>136,161</u>	<u>127,493</u>
Excess of revenues over expenditures	81,352	84,752	216,872	(132,120)	282,664
Other financing uses:					
Operating transfers out	<u>(77,652)</u>	<u>(81,052)</u>	<u>(107,445)</u>	<u>26,393</u>	<u>(98,073)</u>
Total other financing sources	<u>(77,652)</u>	<u>(81,052)</u>	<u>(107,445)</u>	<u>26,393</u>	<u>(98,073)</u>
Excess of revenues over expenditures and other uses	3,700	3,700	109,427	(105,727)	184,591
Fund balance, beginning	<u>367,001</u>	<u>367,001</u>	<u>367,001</u>	<u>-</u>	<u>182,410</u>
Fund balance, ending	<u>\$ 370,701</u>	<u>\$ 370,701</u>	<u>\$ 476,428</u>	<u>\$ (105,727)</u>	<u>\$ 367,001</u>

DEBT SERVICE FUNDS

These funds are used to accumulate monies for payment of general obligation debt consisting of the following:

General Obligation Refunding Bonds - City and Sewerage District No. 1, all secured as to payment by ad valorem taxes assessed on all property and improvements in the City of Oakdale.

Certificates of Indebtedness - all secured upon the dedication and pledging of excess annual revenues of the General Fund.

Sales Tax Refunding Bonds Series 2000, dated August 1, 2000, payable from proceeds of the one percent city sales and use tax.

Revolving Loan payable to the Louisiana Department of Environmental Quality (LDEQ). The loan is secured by a borrower bond issued to LDEQ in the amount of \$1,500,000 secured by a pledge of the City's 1% sales tax.

General Obligation Bonds, Series 2003 – street overlay, secured as to payment by ad valorem taxes assessed on all property and improvements in the City of Oakdale.

CITY OF OAKDALE, LOUISIANA
Debt Service Fund

Combining Balance Sheet – by Debt Type
June 30, 2004
With Comparative Totals for June 30, 2003

	General Obligation Series 2003 Street Overlay	General Obligation Refunding City	General Obligation Refunding Sewerage District No. 1	Certificate of Indebtedness 1996
ASSETS				
Restricted assets:				
Debt service accounts	\$ <u>16,767</u>	\$ <u>11,477</u>	\$ <u>1,372</u>	\$ <u>75,426</u>
Total assets	\$ <u>16,767</u>	\$ <u>11,477</u>	\$ <u>1,372</u>	\$ <u>75,426</u>
LIABILITIES AND FUND BALANCES				
Due to other funds	\$ -	\$ 3,064	\$ (44,096)	\$ -
<i>Fund balances:</i>				
Reserved for debt service	<u>16,767</u>	<u>8,413</u>	<u>45,468</u>	<u>75,426</u>
Total liabilities and fund balances	\$ <u>16,767</u>	\$ <u>11,477</u>	\$ <u>1,372</u>	\$ <u>75,426</u>

Sales Tax Refunding Bond 1999	Certificate of Indebtedness Series 2000	Certificate of Indebtedness 2002	Revolving Loan	Totals	
				2004	2003
\$ -	\$ 4,749	\$ 6,865	\$ 198,532	\$ 315,188	\$ 358,614
<u>\$ -</u>	<u>\$ 4,749</u>	<u>\$ 6,865</u>	<u>\$ 198,532</u>	<u>\$ 315,188</u>	<u>\$ 358,614</u>
\$ (19,726)	\$ (7,580)	\$ -	\$ 46,180	\$ (22,158)	\$ 109,797
<u>19,726</u>	<u>12,329</u>	<u>6,865</u>	<u>152,352</u>	<u>337,346</u>	<u>248,817</u>
<u>\$ -</u>	<u>\$ 4,749</u>	<u>\$ 6,865</u>	<u>\$ 198,532</u>	<u>\$ 315,188</u>	<u>\$ 358,614</u>

CITY OF OAKDALE, LOUISIANA
Debt Service Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – By Debt Type
Year Ended June 30, 2004
With Comparative Totals for Year Ended June 30, 2003

	General Obligation Bonds Series 2003	General Obligation Refunding City	General Obligation Refunding Sewerage District No. 1	Certificate of Indebtedness 1996
Revenues:				
Taxes	\$ -	\$ -	\$ 72,950	\$ -
Miscellaneous	<u>107</u>	<u>99</u>	<u>97</u>	<u>708</u>
Total revenues	<u>107</u>	<u>99</u>	<u>73,047</u>	<u>708</u>
Expenditures:				
Debt service -				
Principal retirement	30,000	-	-	55,000
Interest and fiscal charges	<u>16,273</u>	<u>-</u>	<u>-</u>	<u>9,625</u>
Total expenditures	<u>46,273</u>	<u>-</u>	<u>-</u>	<u>64,625</u>
Excess (deficiency) of revenues over expenditures	(46,166)	99	73,047	(63,917)
Other financing sources:				
Operating transfers in	<u>62,933</u>	<u>-</u>	<u>-</u>	<u>72,000</u>
Total other financing services	<u>62,933</u>	<u>-</u>	<u>-</u>	<u>72,000</u>
Excess (deficiency) of revenues and other sources over expenditures	16,767	99	73,047	8,083
Fund balances, beginning	<u>-</u>	<u>8,314</u>	<u>(27,579)</u>	<u>67,343</u>
Fund balances, ending	<u>\$ 16,767</u>	<u>\$ 8,413</u>	<u>\$ 45,468</u>	<u>\$ 75,426</u>

Sales Tax Refunding Bond 1999	Certificate of Indebtedness 2000	Certificate of Indebtedness 2002	Revolving Loan	Totals	
				2004	2003
\$ -	\$ -	\$ -	\$ -	\$ 72,950	\$ -
-	-	-	1,778	2,789	5,267
-	-	-	1,778	75,739	5,267
95,000	14,000	40,000	10,000	244,000	215,480
4,958	6,797	37,652	58,352	133,657	87,781
99,958	20,797	77,652	68,352	377,657	303,261
(99,958)	(20,797)	(77,652)	(66,574)	(301,918)	(297,994)
57,123	27,749	62,963	107,679	390,447	302,119
57,123	27,749	62,963	107,679	390,447	302,119
(42,835)	6,952	(14,689)	41,105	88,529	4,125
62,561	5,377	21,554	111,247	248,817	244,692
\$ 19,726	\$ 12,329	\$ 6,865	\$ 152,352	\$ 337,346	\$ 248,817

CITY OF OAKDALE, LOUISIANA
Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances – By Debt Type
Budget (GAAP Basis) and Actual
Year Ended June 30, 2004

	General Obligation Refunding - City			General Obligations Refunding - Sewerage District No. 1		
	Budget	Actual	Variance -	Budget	Actual	Variance -
			Favorable (Unfavorable)			Favorable (Unfavorable)
Revenues:						
Taxes - ad valorem	\$ -	\$ -	\$ -	\$ -	\$ 72,950	\$ 72,950
Miscellaneous	-	99	99	-	97	97
Total revenues	-	99	99	-	73,047	73,047
Expenditures:						
Debt service -						
Principal, interest, fiscal charges and advance refunding escrow	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	99	99	-	73,047	73,047
Other financing sources:						
Operating transfers in	-	-	-	-	-	-
Total other financing services	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	99	99	-	73,047	73,047
Fund balances, beginning	8,314	8,314	-	(27,579)	(27,579)	-
Fund balances, ending	\$ 8,314	\$ 8,413	\$ 99	\$ (27,579)	\$ 45,468	\$ 73,047

Certificate of Indebtedness - 1996			General Obligations Bonds, Series 2003		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 87,585	\$ -	\$ (87,585)
<u>1,750</u>	<u>708</u>	<u>(1,042)</u>	<u>-</u>	<u>107</u>	<u>107</u>
<u>1,750</u>	<u>708</u>	<u>(1,042)</u>	<u>87,585</u>	<u>107</u>	<u>(87,478)</u>
<u>66,600</u>	<u>64,625</u>	<u>1,975</u>	<u>64,380</u>	<u>46,273</u>	<u>18,107</u>
(64,850)	(63,917)	933	23,205	(46,166)	(69,371)
<u>65,000</u>	<u>72,000</u>	<u>7,000</u>	<u>-</u>	<u>62,933</u>	<u>62,933</u>
<u>65,000</u>	<u>72,000</u>	<u>7,000</u>	<u>-</u>	<u>62,933</u>	<u>62,933</u>
150	8,083	7,933	23,205	16,767	(6,438)
<u>69,467</u>	<u>67,343</u>	<u>(2,124)</u>	<u>41,312</u>	<u>-</u>	<u>(41,312)</u>
<u>\$ 69,617</u>	<u>\$ 75,426</u>	<u>\$ 5,809</u>	<u>\$ 64,517</u>	<u>\$ 16,767</u>	<u>\$ (47,750)</u>

CITY OF OAKDALE, LOUISIANA
Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances – By Debt Type
Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 2004

	Sales Tax Refunding Bond 1999			Indebtedness 2000		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
	Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)
Revenues:						
Taxes - ad valorem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-
Expenditures:						
Debt service -						
Principal, interest, fiscal charges and advance refunding escrow	-	99,958	(99,958)	19,692	20,797	(1,105)
Deficiency of revenues over expenditures	-	(99,958)	(99,958)	(19,692)	(20,797)	(1,105)
Other financing sources:						
Operating transfers in	-	57,123	57,123	19,692	27,749	8,057
Total other financing sources	-	57,123	57,123	19,692	27,749	8,057
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(42,835)	(42,835)	-	6,952	6,952
Fund balances, beginning	-	62,561	62,561	5,377	5,377	-
Fund balances, ending	\$ -	\$ 19,726	\$ 19,726	\$ 5,377	\$ 12,329	\$ 6,952

Revolving Loan			Indebtedness 2002		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,778	1,778	-	-	-
-	1,778	1,778	-	-	-
<u>117,868</u>	<u>68,352</u>	<u>49,516</u>	<u>81,052</u>	<u>77,652</u>	<u>3,400</u>
(117,868)	(66,574)	51,294	(81,052)	(77,652)	3,400
<u>117,868</u>	<u>107,679</u>	<u>(10,189)</u>	<u>81,052</u>	<u>62,963</u>	<u>(18,089)</u>
<u>117,868</u>	<u>107,679</u>	<u>(10,189)</u>	<u>81,052</u>	<u>62,963</u>	<u>(18,089)</u>
-	41,105	41,105	-	(14,689)	(14,689)
<u>111,247</u>	<u>111,247</u>	<u>-</u>	<u>21,554</u>	<u>21,554</u>	<u>-</u>
<u>\$111,247</u>	<u>\$152,352</u>	<u>\$ 41,105</u>	<u>\$21,554</u>	<u>\$ 6,865</u>	<u>\$ (14,689)</u>

CAPITAL PROJECTS FUND

LCDBG Sewer System Improvement Fund – To account for the financing and improvement of the City’s sewer system.

2001 Demonstrated Needs Federal Grant as well as a Sewer System Improvement Grant both financed by the LCDGB.

Police Station Bonds, Series 2002 – To account for the financing and construction of the City’s police station.

Street Overlay Bonds, Series 2003 – To account for the financing and construction of the City’s street overlay project.

CITY OF OAKDALE, LOUISIANA
Capital Projects Fund

Balance Sheet
June 30, 2004

ASSETS

	<u>Street Improvements</u>	<u>Police Station Construction</u>	<u>Total</u>
Cash	\$ 136,754	\$ 103,803	\$ 240,557
Miscellaneous receivables	<u>261,382</u>	<u>-</u>	<u>261,382</u>
Total assets	<u>\$ 398,136</u>	<u>\$ 103,803</u>	<u>\$ 501,939</u>

LIABILITIES AND FUND BALANCES

Accounts payable	\$ 261,382	\$ -	\$ 261,382
Fund balance	<u>136,754</u>	<u>103,803</u>	<u>240,557</u>
Total liabilities and fund balance	<u>\$ 398,136</u>	<u>\$ 103,803</u>	<u>\$ 501,939</u>

CITY OF OAKDALE, LOUISIANA
 Capital Projects Fund
 Street Improvements Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (GAAP Basis) and Actual
 June 30, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Intergovernmental revenue	\$ -	\$ 316,721	\$ 316,721
Expenditures:			
Current -			
Capital outlay	-	979,969	979,969
Excess of revenues over expenditures	-	(663,248)	(663,248)
Other financing sources:			
Bond proceeds	-	800,000	800,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	136,752	136,752
Fund balance, beginning	-	2	2
Fund balance, ending	\$ -	\$ 136,754	\$ 136,754

CITY OF OAKDALE, LOUISIANA
 Capital Projects Fund
 Police Station

Statement of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (GAAP Basis) and Actual
 June 30, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Miscellaneous	\$ -	\$ 2,446	\$ 2,446
Expenditures:			
Current -			
Capital outlay	-	666,800	666,800
Deficiency of revenues over expenditures	-	(664,354)	(664,354)
Fund balance, beginning	<u>90,792</u>	<u>768,157</u>	<u>677,365</u>
Fund balance, ending	<u>\$ 90,792</u>	<u>\$ 103,803</u>	<u>\$ 13,011</u>

ENTERPRISE FUND

Utility Fund - To account for the provision of water and sewerage services to the residents of the City and some adjacent areas. All activities necessary to provide these services are accounted for in this fund, including, but not limited to: administration, operation, maintenance, financing and related debt service, and billing and collections.

CITY OF OAKDALE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheets
June 30, 2004 and 2003

	2004	2003
ASSETS		
Current assets:		
Cash	\$ -	\$ 43
Accounts receivables	148,925	135,707
Due from Master Bank Fund	13,230	236,154
Total current assets	162,155	371,904
Restricted assets:		
Customers' deposit accounts	70,687	69,954
Sewer plant replacement accounts	157,117	133,811
Total restricted assets	227,804	203,765
Property, plant and equipment, at cost, net of accumulated depreciation (2004 - \$6,401,728; 2003 - \$6,047,067)		
	4,031,899	4,381,630
Total assets	\$4,421,858	\$4,957,299

LIABILITIES AND FUND EQUITY	<u>2004</u>	<u>2003</u>
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 99,388	\$ 69,861
Other current liabilities	<u>293</u>	<u>1,034</u>
Total current liabilities (payable from current assets)	<u>99,681</u>	<u>70,895</u>
Current liabilities (payable from restricted assets) -		
Payable from customers' deposit accounts:		
Customers' deposits	<u>65,038</u>	<u>65,403</u>
Total current liabilities (payable from restricted assets)	<u>65,038</u>	<u>65,403</u>
Total liabilities	<u>164,719</u>	<u>136,298</u>
Fund equity:		
Contributed capital	<u>1,231,505</u>	<u>1,425,419</u>
Retained earnings -		
Reserved for sewer plant replacement	157,117	133,811
Unreserved	<u>2,868,517</u>	<u>3,261,771</u>
Total retained earnings	<u>3,025,634</u>	<u>3,395,582</u>
Total fund equity	<u>4,257,139</u>	<u>4,821,001</u>
Total liabilities and fund equity	<u>\$4,421,858</u>	<u>\$4,957,299</u>

CITY OF OAKDALE, LOUISIANA

Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings
 Enterprise Fund
 Utility Fund
 Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Utility sales - net	\$ 1,153,020	\$ 971,130
Service and miscellaneous charges	<u>60,648</u>	<u>59,112</u>
Total operating revenues	<u>1,213,668</u>	<u>1,030,242</u>
Operating expenses:		
Salaries	111,866	138,041
Fringe benefits	26,292	24,245
Supplies	96,934	49,834
Repairs and maintenance	164,095	98,691
Auto and truck expenses	13,384	12,313
Utilities	178,880	170,534
Insurance	17,580	14,781
Bad debts	7,691	8,712
Other	25,853	32,169
Depreciation	<u>354,661</u>	<u>354,376</u>
Total operating expenses	<u>997,236</u>	<u>903,696</u>
Operating income	<u>216,432</u>	<u>126,546</u>
Nonoperating revenues:		
Interest earned	<u>1,022</u>	<u>1,725</u>
Total nonoperating revenues	<u>1,022</u>	<u>1,725</u>
Income before operating transfers	217,454	128,271
Operating transfers		
Operating transfers out	<u>(781,531)</u>	<u>(638,751)</u>
Total operating transfers	<u>(781,531)</u>	<u>(638,751)</u>
Net loss before the add back of depreciation on federal grants	(564,077)	(510,480)
Add: Depreciation on fixed assets acquired by capital grants that reduces contributed capital from capital grants	<u>194,129</u>	<u>194,129</u>
Net decrease in retained earnings	(369,948)	(316,351)
Retained earnings, beginning	<u>3,395,582</u>	<u>3,711,933</u>
Accumulated deficit, ending	<u>\$ 3,025,634</u>	<u>\$ 3,395,582</u>

CITY OF OAKDALE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statements of Operating Expenses By Department
Years Ended June 30, 2004 and 2003

	2004	2003
Water department:		
Salaries	\$ 29,496	\$ 27,924
Fringe benefits	7,500	6,468
Supplies	37,368	30,935
Repairs and maintenance	12,522	29,978
Auto and truck expenses	8,958	8,118
Utilities	70,805	69,672
Insurance	9,473	6,969
Bad debts	7,691	8,712
Other	15,899	14,243
Depreciation	71,987	72,197
Total water department	271,699	275,216
 Sewer department:		
Salaries	82,370	110,117
Fringe benefits	18,792	17,777
Supplies	59,566	18,899
Repairs and maintenance	151,573	68,713
Auto and truck expenses	4,426	4,195
Utilities	108,075	100,862
Insurance	8,107	7,812
Other	9,954	17,926
Depreciation	282,674	282,179
Total sewer department	725,537	628,480
Total operating expenses	\$ 997,236	\$ 903,696

CITY OF OAKDALE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statements of Cash Flows
Years Ended June 30, 2004 and 2003

	2004	2003
Cash flows from operating activities:		
Operating income	\$ 216,436	\$ 126,546
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	354,661	354,376
Changes in assets and liabilities:		
Customers receivables	(13,222)	(3,766)
Due from Master Bank	222,925	231,889
Other receivables	-	45,331
Accounts payable	29,530	(50,670)
Other current liabilities	(530)	(389)
Due to other funds	-	(78,933)
Total adjustments	593,364	497,838
Net cash provided by operating activities	809,800	624,384
Cash flows from noncapital financing activities:		
Decrease (increase) in customer deposits - net	(365)	1,847
Operating transfer out	(781,531)	(638,750)
Net cash used by noncapital financing activities	(781,896)	(636,903)
Cash flows from capital and related financing activities:		
Acquisition of property, plant and equipment	(4,930)	-
Net cash used by capital and related financing activities	(4,930)	-
Cash flows from investing activities:		
Proceeds from the maturity of investments	133,811	115,490
Purchase of investments	(157,117)	(133,811)
Interest received on investments	1,022	1,725
Net cash used by investing activities	(22,284)	(16,596)
Net increase (decrease) in cash and cash equivalents	690	(29,115)
Cash and cash equivalents, beginning of period	69,997	99,112
Cash and cash equivalents, end of period	\$ 70,687	\$ 69,997

FIDUCIARY FUND

Master Bank Fund - To account for the operating checking account used by the City.

CITY OF OAKDALE, LOUISIANA
Fiduciary Fund
Master Bank Fund

Comparative Balance Sheets
June 30, 2004 and 2003

	2004	2003
ASSETS		
Due from General Fund	\$ 106,497	\$ 225,914
Due from Fire Department Fund	14,228	14,121
Due from Bonded Debt	-	109,797
Total assets	\$ 120,725	\$ 349,832
LIABILITIES AND FUND BALANCE		
Liabilities:		
Bank overdraft	\$ 15,916	\$ 8,480
Other accrued liabilities	56,168	51,077
Due to Sales Tax Fund	12,647	53,515
Due to Utility Fund	13,230	236,154
Due to Gaming Fund	606	606
Due to Bonded Debt	22,158	-
Total liabilities	120,725	349,832
Fund balance	-	-
Total liabilities and fund balance	\$ 120,725	\$ 349,832

OTHER SUPPLEMENTARY DATA

CITY OF OAKDALE, LOUISIANA

Utility System Enterprise Fund
Schedule of Number of Utility Customers
(Unaudited)
June 30, 2004

	<u>Number of Customers water and sewer</u>
Metered or estimated:	
July, 2003	2387
August, 2003	2380
September, 2003	2364
October, 2003	2345
November, 2003	2340
December, 2003	2336
January, 2004	2333
February, 2004	2349
March, 2004	2351
April, 2004	2350
May, 2004	2356
June, 2004	2353

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION**

CITY OF OAKDALE, LOUISIANA

Summary Schedule of Prior Year Findings
Year Ended June 30, 2004

03-1 Segregation of Duties

This issue is unresolved. See current year finding 04-01.

03-2 Budget Violations

This issue is unresolved. See current year finding 04-2.

03-4 Gaming Compliance

This issue is unresolved. See current year finding 04-3.

ML-1-03 Ethics Code

This issue has been resolved.

CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2004

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

A qualified opinion has been issued on the City of Oakdale, Louisiana's primary government financial statements as of and for the year ended June 30, 2004.

Reportable Conditions - Financial Reporting

One reportable condition in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 04-1, in Part 2 and is considered to be a material weakness.

Material Noncompliance – Financial Reporting

Two instances of noncompliance were disclosed during the audit of the financial statements and are shown as items 04-2 and 04-3 in Part 2.

FEDERAL AWARDS

This section is not applicable for fiscal year ended June 30, 2004.

Part 2: Findings Relating to an Audit in Accordance with Government Auditing Standards

04-1 Individual Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the City did not have adequate segregation of functions within the accounting system.

Recommendation:

Based on the size of the operation and the cost-benefit of hiring additional accounting personnel, it may not be feasible to achieve a complete segregation of duties.

CITY OF OAKDALE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2004

04-2 Budget Amendments

Finding:

State law requires that budgets be amended when actual expenditures plus estimated future expenditures exceed budgeted amounts by 5% or more. Noted during the course of our audit was the fact that certain budgeted line items were not amended as required by state law.

Recommendation:

We recommend that budgets be reviewed on an ongoing basis and be amended when actual plus estimated expenditures exceed budgeted amounts by 5% or more.

04-3 Gaming Compliance

Finding:

Noted during the course of our audit was the fact that the City receives funding from the Coushatta Indian Tribe. A Compact with the State of Louisiana describes how the City may use these funds. In our testing procedures, we noted certain instances where expenditures were charged to the gaming fund that may not be in accordance with the aforementioned Compact, specifically the sponsorship of the Oakdale Little League in the amount of \$2,500. There were, however, other qualifying expenditures coded in other funds that would constitute acceptable uses of gaming funds. Consequently, we recommend that the City Treasurer be aware of the allowable costs that may be paid for and charged to the gaming fund and continually monitor this area to ensure compliance.

Recommendation:

We recommend that the City Clerk continually monitor changes to the Gaming Fund to ensure compliance.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2004, the City of Oakdale, Louisiana did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

CITY OF OAKDALE, LOUISIANA

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2004

Response to finding 04-1:

A complete segregation of duties is not feasible due to the cost-benefit of hiring additional personnel and the size of the Organization.

Response to finding 04-2:

The City Clerk and Mayor will continually monitor on an ongoing basis to identify potential budget violations requiring amendments.

Response to finding 04-3:

It is management's contention that this was an isolated incident and that the sponsorship should have been paid using another fund. Accordingly, \$2,500 has been reimbursed to the Gaming Revenue Fund.

Response to ML-1-04:

Procedures will be amended to incorporate recommended changes and reconciliations will be performed on a monthly basis.

Response to ML-2-04:

The City Clerk will begin providing receipt books to the police department to insure continuity in *numerical receipts and accountability of individual books*.

Response to ML-3-04:

The City will begin including fire watch payments in payroll and coding those expenses as payroll expenses.



(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990
Paula D. Bihm, CPA, Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. HigginBotham, CPA
John P. Armato, CPA
Jennifer S. Ziegler, CPA, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA

Erich G. Loewer, Jr. CPA, CVA

Kathleen T. Darnall, CPA
Erich G. Loewer, III, MTX, CPA
Tamera T. Landry, CPA
Raegan D. Maggio, CPA
Barbara A. Clark, CPA
Lauren F. Verrett, CPA
Michelle B. Borrello, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA
Barbara Ann Watts, CPA
Adam J. Curry, CPA
Chad M. Bailey, CPA

Management Letter

The Honorable Mayor Robert Abrusley
and City Council Members
City of Oakdale, Louisiana

We have audited the financial statements of the City of Oakdale, Louisiana as of and for the year ended June 30, 2004, and have issued our report thereon dated September 23, 2004. We conducted our audit in accordance with 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.

As a part of our examination, we have issued our report on the financial statements, dated September 23, 2004, and our report on internal control and compliance with laws, regulations and contracts, as of the same date.

During the course of our audit, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improving internal controls.

Suggestion ML-1-04 – Utility Account Adjustments

Noted during the course of our audit was the fact the adjustments to utility customer accounts were being handled by individuals who were also authorized to accept and post payments to customer accounts. It is our recommendation that procedures for adjusting utility bills be amended so that any customer requesting an adjustment to their bill must come to city hall and fill out a formal adjustment form with signature. Upon determination that an adjustment is required, it should be evidenced by the signature of a meter reader, as well as, the Mayor or City Clerk. Independent reconciliation of all adjustments posted to adjustment forms should be done on a monthly basis.

Member of:
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

The Honorable Mayor Robert Abrusley
and City Council Members
Page 2

Suggestion ML-2-04 – Bonding Fee Receipts

Noted during the course of our audit was the fact that receipt books for bonding fees collected by the police department were lacking continuity in numerical sequence. Also, there was an entire receipt book that could not be located. We recommend that receipt books be provided to the police department by the city clerk to insure continuity in numerical receipts and accountability of individual books.

Suggestion ML-3-04 – Care of Prisoners

Noted during the course of our audit was the fact that amounts paid to “fire watch” guards at the city prison were being coded to the “care of prisoners” expense account of the city. We recommend that these amounts be included as payroll with applicable withholdings and recorded as payroll expense.

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants

Eunice, Louisiana
September 23, 2004