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**ANNUAL FINANCIAL REPORT
OF THE
VILLAGE OF PARKS**

St. Martin Parish, Louisiana

Year Ended June 30, 2004

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

Release Date 1-26-05

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INDEPENDENT AUDITORS' REPORT

The Honorable John Dugas, Mayor
And Members of the Board of Aldermen /Alderswoman
Village of Parks, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund for the Village of Parks, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 and each major fund of the Village of Parks, 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.

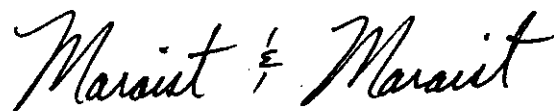
As described in Note (2) to the financial statements, the Village has implemented a new financial reporting model as required by the provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as of June 30, 2004.

The Honorable John Dugas, Mayor
And Members of the Board of Aldermen /Aldерwoman
Village of Parks, Louisiana

In accordance with Government Auditing Standards, we have also issued a report dated December 29, 2004, on our consideration of the Village of Park's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 1-9 and 46-49, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Park's, basic financial statements. The other supplementary information on pages 1-9 and 46-49 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Village of Parks, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



MARAIST & MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

December 29, 2004

VILLAGE OF PARKS
St. Martin Parish, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004

Introduction

This section contains a narrative overview and analysis of the financial activities of the Village of Parks, Louisiana (the Village) for the fiscal year ended June 30, 2004. The intent of Management's Discussion and Analysis (MD&A) is to look at the overall financial performance of the Village of Parks using an objective, easily readable analysis of the Village's financial activities. Therefore, we encourage readers to consider the information presented herein in conjunction with additional information that we have furnished in the Notes to Basic Financial Statements. Please reference the Table of Contents for the exact location of those items.

The MD&A is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, the Statement permits the omission of prior year data in the year of implementation. Therefore, since this is the first year of implementation by this Village, certain comparative information of the previous fiscal year is not presented. Previous year information is disclosed in cases where the information was readily available and it is feasible to show such information without expending excessive resources to present the data.

Financial Highlights

- The Village's total assets exceeded its liabilities at the close of the fiscal year by \$1,815,119. Of this amount, \$1,655,415 was invested in capital assets, net of related debt. The remainder of net assets of \$159,704, consists of \$52,271 of net assets which are restricted to meet debt service reserve requirements, with the balance of \$107,433 of net assets available for unrestricted use.
- Total revenue from both governmental and business-type activities was \$1,021,879. Total expenses were \$965,748.
- The Statement of Net Assets reflects a positive change in net assets of \$56,131, which is 3.2 percent of beginning net assets.
- As of the close of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$49,270, an increase of \$16,359 from the prior year.
- At June 30, 2004, unreserved fund balance for the General Fund was \$33,164 or 62 percent of total General Fund expenditures and 60 percent of total General Fund revenues.

VILLAGE OF PARKS
St. Martin Parish, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS(CONTINUED)
JUNE 30, 2004

Overall, the Village continues to maintain a strong financial position.

The Financial Statements

This report encompasses a series of financial statements consisting of the following components:

1. Government-wide financial statements, which are designed to provide an organization-wide overview similar in nature to the form of reporting used for private-sector businesses. The two components of this presentation are:

The Statement of Net Assets which is roughly equivalent to a private business balance sheet summarizing all of the Village's assets and liabilities and reporting the difference between the two as "net assets." Changes in net assets over time may provide an indication of either an improving or declining financial position.

The Statement of Activities is an organization-wide operating statement, which accounts for changes in net assets during the Village's 2004 fiscal year. This statement takes into account all revenues and expenses accrued for that year, regardless of when cash is received or paid.

The government-wide statements presented on pages 8 and 9 of this report are a result of the new financial reporting model established by Governmental Accounting Standards Board Statement No. 34, which is now being implemented for the first time by the Village of Parks. These statements also distinguish governmental activities, which are those Village functions principally supported by taxes and intergovernmental revenues, from business-type activities which are intended to recover a significant portion of their costs through user fees and charges. The Village's governmental activities include such functions as public safety (police) and public works (principally streets and sanitation), while its business-type activities consist of a water/sewer utility.

2. Fund financial statements report financial data for individual funds into which the Village's accounts are organized to maintain compliance with finance-related legal and contractual requirements. This report includes two categories of funds, governmental and proprietary funds.

VILLAGE OF PARKS
St. Martin Parish, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS(CONTINUED)
JUNE 30, 2004

The governmental fund financial statements generally cover the same functions as the governmental activities in the government-wide statements, but differ in their focus on near-term spendable resources rather than longer-term measurement of all net assets. A comparison of the fund and government-wide statements with respect to governmental functions is useful in gaining a longer-term perspective than that provided solely by the near-term focus of governmental fund statements, and a reconciliation is provided in the governmental fund statements to support such comparison.

The Village maintains three governmental funds with the General Fund being the chief operating fund of the Village. The Sales Tax Fund and the Park Commission Fund are also considered to be major funds.

The Proprietary Fund financial statements cover business-type activities in which external customers are charged for services for the water utilities. The Enterprise Fund category in these statements corresponds to the business-type activities reported in the government-wide statements. All Proprietary Fund Statements are reported on the accrual basis of accounting as used in the government-wide statements and in private-sector business.

3. Notes to Basic Financial Statements provide additional information and explanation necessary for full understanding of the government-wide and fund financial statements, and are presented on pages 26-45 of this report.
4. Other information, consisting of the required supplementary and the individual fund financial statements on major and non-major funds, is presented immediately following the Notes to Basic Financial Statements.

Government-wide Analysis

This analysis pertains to the government-wide financial statements, which are issued for the first time for the 2004 fiscal year. It does not include comparative information for prior years. (Such comparison of current and prior years will, however, be included in future annual reports).

The Village's net assets at June 30, 2004 were \$1,815,119 with 91 percent of this total consisting of capital assets, i.e., physical plant, equipment, and infrastructure, less related outstanding debt, and 3 percent of this total restricted for debt service reserve requirements. This leaves 6 percent as unrestricted net assets, which are generally available for use at the Village's discretion. Year-end assets, liabilities, and net assets are summarized below. It should be noted that the investment in capital assets is not available as a financial resource for payment of liabilities. These will require the use of either

VILLAGE OF PARKS
 St. Martin Parish, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS(CONTINUED)
JUNE 30, 2004

Government-wide Financial Analysis-Continued

existing financial resources or future revenues. Also note that capital assets are reported net of accumulated depreciation.

The table below provides a condensed statement of net assets ended June 30, 2004.

		NET ASSETS			
		<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	
		<u>Activities</u>	<u>Activities</u>		
Current and other assets	\$	54,319	\$ 251,017	\$	305,336
Capital assets		65,997	2,733,369		2,799,366
<u>Total assets</u>	\$	<u>120,316</u>	\$ <u>2,984,386</u>	\$	<u>3,104,702</u>
Current and other liabilities	\$	5,049	\$ 1,284,534	\$	1,289,583
<u>Total liabilities</u>	\$	<u>5,049</u>	\$ <u>1,284,534</u>	\$	<u>1,289,583</u>
Net assets:					
Invested in capital assets, net of debt	\$	65,997	\$ 1,589,418	\$	1,655,415
Restricted for debt services		-	52,271		52,271
Unrestricted		49,270	58,163		107,433
<u>Total net assets</u>	\$	<u>115,267</u>	\$ <u>1,699,852</u>	\$	<u>1,815,119</u>

Net assets increased by \$56,131 or 3.2 percent for the Village as a whole during the 2004 fiscal year. The major change in net assets for governmental activities was an increase in cash assets within the enterprise fund.

The Village's total costs of expenses in fiscal year 2004 were \$134,344 for governmental activities, and \$831,404 for business-type activities. For governmental activities, \$9,030 of these costs were covered by charges for services, grants and contributions directly related to the expenditures. The remainder, or \$125,314, was funded by general revenues, mainly sales and franchise taxes. For business-type activities, all of the costs were covered by charges for services. Of the costs of the business-type activity, \$143,879 was from depreciation expenses charged for the fiscal year.

VILLAGE OF PARKS
 St. Martin Parish, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS(CONTINUED)
JUNE 30, 2004

Government-wide Financial Analysis-Continued

The Statement of Activities for 2004 categorizes the Village's revenues as either program revenues which are service charges or grants and contributions for specific governmental or business-type functions, and general revenues which include most taxes and other revenue sources of a government-wide nature. Major components of program and general revenues, together with total expenses and the resulting change in net assets, are summarized below for the 2004 fiscal year.

With the first year implementation of GASB Statement 34, the Village is not presenting comparable columns in the various comparisons and analysis for the prior year.

CHANGES IN NET ASSETS

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Program revenues:			
Charges for services	\$ 9,030	\$ 879,222	\$ 888,252
Capital Grant & Contributions	2,547	15,000	17,547
General revenues:			
Sales tax	68,531	-	68,531
Franchise taxes / Occupational licenses	39,815	-	39,815
Other general revenues, excluding special items	6,875	859	7,734
<u>Total revenues</u>	<u>\$ 126,798</u>	<u>\$ 895,081</u>	<u>\$ 1,021,879</u>
<u>Total expenses</u>	<u>\$ 134,344</u>	<u>\$ 831,404</u>	<u>\$ 965,748</u>
<u>Increase/(Decrease) in</u> <u>net assets</u>	<u>\$ (7,546)</u>	<u>\$ 63,677</u>	<u>\$ 56,131</u>

Analysis of Fund Financial Statements

This discussion pertains to the financial statements for the various funds into which the Village's accounts are divided to comply with legal requirements. As previously noted, the Village's financial statements reflect two fund classifications, governmental and proprietary.

VILLAGE OF PARKS
St. Martin Parish, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS(CONTINUED)
JUNE 30, 2004

Analysis of Fund Financial Statements-Continued

The Village's governmental funds had a combined fund balance of \$49,270 at the end of the 2004 fiscal year, representing an increase of 49.7 percent from the 2003 total. This increase is mainly attributable to the increase in general fund revenues.

The Village's proprietary funds experienced an increase in net assets of \$41,587. This represents a 2.5 percent change in net assets.

General Fund Budgetary Summary

The General Fund's original budget was amended at year-end to reflect a decline in expected revenues and a decrease in expected expenditures. Actual revenues were \$55,261 or 4.1 percent more than the amended budget, mainly because of an increase in license fees received.

Capital Assets

The Village's total investment in capital assets at the end of the 2004 fiscal year was \$4,834,696, with accumulated depreciation of \$2,035,330. This results in capital assets net of accumulated depreciation of \$2,799,366. Major capital acquisition and construction activities during the year were limited to the acquisition of a new generator.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure-roads, bridges, traffic signals, etc.) have been expensed in the year incurred and have not been capitalized and depreciated over the assets' estimated useful life. GASB Statement 34 now requires the Village to begin capitalizing and depreciating all new infrastructure outlays beginning with the year June 30, 2004.

Future Budget and Economic Outlook

The future budget and economic outlook are very bright. The Village has recently implemented revised water billing rates, which should produce increased revenues within the enterprise fund. The Village continues to experience a steady growth in overall revenues, and has adequate cash reserves to absorb any budget contingencies.

VILLAGE OF PARKS
St. Martin Parish, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS(CONTINUED)
JUNE 30, 2004

Requests for Information

This report is intended to provide interested parties with a general overview of the finances of the Village of Parks, Louisiana. Questions or requests for further information should be addressed to the Village Clerk, Village of Parks, P .O . Box 2867, Parks, LA 70582.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

VILLAGE OF PARKS
St. Martin Parish, Louisiana

STATEMENT OF NET ASSETS
JUNE 30, 2004

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Current assets:			
Cash and interest-bearing deposits	\$ 54,488	\$ 110,838	\$ 165,326
Receivables, net	5,356	82,383	87,739
Internal balances	(5,525)	5,525	-
Due from other governments	-	-	-
Total current assets	<u>\$ 54,319</u>	<u>\$ 198,746</u>	<u>\$ 253,065</u>
Noncurrent assets:			
Restricted assets-			
Cash and interest-bearing deposits	\$ -	\$ 52,271	\$ 52,271
Capital assets, net	65,997	2,733,369	2,799,366
Total noncurrent assets	<u>\$ 65,997</u>	<u>\$ 2,785,640</u>	<u>\$ 2,851,637</u>
Total assets	<u>\$ 120,316</u>	<u>\$ 2,984,386</u>	<u>\$ 3,104,702</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	\$ 5,049	\$ 13,397	\$ 18,446
Capital lease payable	-	10,625	10,625
Bonds and certificates payable	-	135,189	135,189
Accrued interest	-	14,701	14,701
Total current liabilities	<u>\$ 5,049</u>	<u>\$ 173,912</u>	<u>\$ 178,961</u>
Noncurrent liabilities:			
Customers' deposits payable		\$ 112,485	\$ 112,485
Capital lease payable		29,863	29,863
Bonds and certificates payable		968,274	968,274
Total noncurrent liabilities	<u>None</u>	<u>\$ 1,110,622</u>	<u>\$ 1,110,622</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 65,997	\$ 1,589,418	\$ 1,655,415
Restricted for debt service	-	52,271	52,271
Unrestricted	49,270	58,163	107,433
Total net assets	<u>\$ 115,267</u>	<u>\$ 1,699,852</u>	<u>\$ 1,815,119</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PARKS
 St. Martin Parish, Louisiana
STATEMENT OF ACTIVITIES
 JUNE 30, 2004

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS			
	EXPENSES	FEES, FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities							
General government	\$ 54,778	\$ 6,260	\$ -	\$ 2,547	\$ (45,971)	\$ -	\$ (45,971)
Public Safety	78,295	-	-	-	(78,295)	-	(78,295)
Recreation	1,271	2,770	-	-	1,499	-	1,499
Total governmental activities	\$ 134,344	\$ 9,030	\$ -	\$ 2,547	\$ (122,767)	\$ -	\$ (122,767)
Business-type Activities							
Water/Sewer fund	\$ 831,404	\$ 879,222	\$ 15,000	\$ -	\$ -	\$ 62,818	\$ 62,818
Total business-type activities	\$ 831,404	\$ 879,222	\$ 15,000	\$ -	\$ -	\$ 62,818	\$ 62,818
Total primary government	\$ 965,748	\$ 888,252	\$ 15,000	\$ 2,547	\$ (122,767)	\$ 62,818	\$ (59,949)
General Revenue							
Taxes					\$ 6,639	\$ -	\$ 6,639
Sales taxes, levied for general purposes					68,531		68,531
Licenses/permits					39,815		39,815
Interest and investment earnings						\$ 859	\$ 859
Miscellaneous					236		236
Transfers					22,090	(22,090)	-
Total general revenues and transfers					\$ 137,311	\$ (21,231)	\$ 116,080
Changes in net assets					\$ 14,544	\$ 41,587	\$ 56,131
Net assets - July 1, 2003					100,723	1,658,265	1,758,988
Net assets - June 30, 2004					\$ 115,267	\$ 1,699,852	\$ 1,815,119

The accompanying notes are an integral part of the basic financial statement.

FUND FINANCIAL STATEMENTS(FFS)

MAJOR FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

SPECIAL REVENUE FUNDS

SALES TAX FUND

To account for the collection of a 2% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication. The proceeds of the 2% sales tax are dedicated to current operation purposes or the acquisition of furniture, fixtures, machinery, equipment, or other relatively minor or comparatively short-lived assets. Proceeds are currently employed to fund the operations of the police department.

PARK COMMISSION FUND

To account for the receipt and use of fees assessed for utilization of the park facilities located in and maintained by the Village of Parks.

ENTERPRISE FUND

The Village of Parks Utilities Fund is used to account for the provision of water/sewer services to residents of the Village and outlying areas. The Village of Parks Utilities Fund is used to account for operations that are financed and operated in a manner 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.

VILLAGE OF PARKS
St. Martin Parish, Louisiana
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>GENERAL</u>	<u>SALES TAX FUND</u>	<u>PARK COMMISSION FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>				
Cash	\$ 38,328	\$ 5,024	\$ 11,136	\$ 54,488
Investments	-	-	-	-
Sales Tax Receivable	-	5,356	-	5,356
Due from other funds	-	-	-	-
<u>Total assets</u>	<u>\$ 38,328</u>	<u>\$ 10,380</u>	<u>\$ 11,136</u>	<u>\$ 59,844</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	3,300	1,749	-	5,049
Due to other funds	1,864	3,661	-	5,525
<u>Total liabilities</u>	<u>\$ 5,164</u>	<u>\$ 5,410</u>	<u>None</u>	<u>\$ 10,574</u>
<u>FUND BALANCES</u>				
Fund balances				
Unreserved, undesignated	\$ 33,164	\$ 4,970	\$ 11,136	\$ 49,270
<u>Total fund balances</u>	<u>\$ 33,164</u>	<u>\$ 4,970</u>	<u>\$ 11,136</u>	<u>\$ 49,270</u>
<u>Total liabilities and fund balances</u>	<u>\$ 38,328</u>	<u>\$ 10,380</u>	<u>\$ 11,136</u>	<u>\$ 59,844</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PARKS
St. Martin Parish, Louisiana
RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004

Total fund balances for governmental funds at June 30, 2004		\$	49,270
Cost of capital assets at June 30, 2004	\$		144,990
Less: Accumulated depreciation as of June 30, 2004			(78,993)
			65,997
Elimination of interfund assets and liabilities			
Due from other funds			-
Due to other funds			-
			-
Net assets at June 30, 2004		\$	115,267

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PARKS
 St. Martin Parish, Louisiana
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2004

<u>REVENUES:</u>	<u>General</u>	<u>Sales Tax Fund</u>	<u>Park Commission Fund</u>	<u>Totals (Memorandum Only)</u>
Taxes	\$ 6,639	\$ 68,531		\$ 75,170
Licenses and Permits	39,815			39,815
Intergovernmental Revenues				
Federal Funds:				
Federal Grants	-			
State Funds:				
State Revenue Sharing(net)	1,281			1,281
Other State Funds	1,266			1,266
Fees/Charges for Services	-		\$ 2,770	2,770
Fines and Penalties	6,260			6,260
Miscellaneous	-	236		236
<u>TOTAL REVENUES</u>	<u>\$ 55,261</u>	<u>\$ 68,767</u>	<u>\$ 2,770</u>	<u>\$ 126,798</u>
<u>EXPENDITURES:</u>				
Current Operating				
General Government	\$ 52,963	\$ -	\$ -	\$ 52,963
Public Safety(Police Dept.)		78,295		78,295
Public Works(Streets & Hwys)				
Health and Welfare				
Recreation			1,271	1,271
Capital Outlay				
<u>TOTAL EXPENDITURES</u>	<u>\$ 52,963</u>	<u>\$ 78,295</u>	<u>\$ 1,271</u>	<u>\$ 132,529</u>
<u>EXCESS/(DEFICIENCY) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>	<u>\$ 2,298</u>	<u>\$ (9,528)</u>	<u>\$ 1,499</u>	<u>\$ (5,731)</u>
<u>OTHER FINANCING SOURCES/(USES):</u>				
Operating Transfers In	\$ 8,790	\$ 13,300	\$ -	\$ 22,090
Operating Transfers Out	-	-	-	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>\$ 8,790</u>	<u>\$ 13,300</u>	<u>None</u>	<u>\$ 22,090</u>
<u>EXCESS/(DEFICIENCY) OF REVENUES AND</u>				
<u>OTHER SOURCES OVER EXPENDITURES</u>	<u>\$ 11,088</u>	<u>\$ 3,772</u>	<u>\$ 1,499</u>	<u>\$ 16,359</u>
<u>AND OTHER USES</u>				
<u>FUND BALANCES/(DEFICIT)-BEGINNING</u>	22,076	1,198	9,637	32,911
<u>FUND BALANCES/(DEFICIT)-ENDING</u>	<u>\$ 33,164</u>	<u>\$ 4,970</u>	<u>\$ 11,136</u>	<u>\$ 49,270</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

Total net change in fund balances for the year ended June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 16,359
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ -	
Depreciation expenses for year ended June 30, 2004	<u>(1,815)</u>	<u>(1,815)</u>
<u>Total change in net assets for the year ended June 30, 2004 per Statement of Activities</u>		\$ <u>14,544</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PARKS
St. Martin Parish, Louisiana
STATEMENT OF NET ASSETS
PROPRIETARY FUND-WATER/SEWER FUND
June 30, 2004

<u>ASSETS</u>	BUSINESS-TYPE ACTIVITY
	<u>ENTERPRISE FUND</u>
Current Assets:	
Cash	\$ 110,838
Accounts Receivable	82,383
Due from Other Funds	5,525
	<hr/>
Total Current Assets	\$ 198,746
	<hr/>
Restricted Assets:	
Cash	\$ 52,271
	<hr/>
Total Restricted Assets	\$ 52,271
	<hr/>
Plant and Equipment, at cost, net of accumulated depreciation of \$1,956,337 at 6/30/04	\$ 2,733,369
	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 2,984,386</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PARKS
St. Martin Parish, Louisiana
STATEMENT OF NET ASSETS (CONTINUED)
PROPRIETARY FUND-WATER/SEWER FUND
June 30, 2004

LIABILITIES AND NET ASSETS

LIABILITIES:

Current Liabilities(payable from current assets)

Accounts Payable	\$	10,163
Other Accrued Liabilities		3,234

Total Current Liabilities(payable from current assets)	\$	13,397
--	----	--------

Current Liabilities(payable from restricted assets)

Accrued Interest Payable	\$	14,701
Revenue Bonds Payable		102,000
Certificates of Indebtedness Payable		30,000
Rural Development Loan Payable		3,189
Capital Leases Payable		10,625

Total Current Liabilities(payable from restricted assets)	\$	160,515
---	----	---------

Noncurrent Liabilities

Revenue Bonds Payable(net of deferred refunding/issue costs of \$19,718)at 6/30/04	\$	710,282
- Certificates of Indebtedness		65,000
Rural Development Loan		192,992
Capital Leases Payable		29,863
Customer Deposits		112,485

Total Noncurrent Liabilities	\$	1,110,622
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TOTAL LIABILITIES

	\$	1,284,534
--	----	-----------

NET ASSETS

Invested in Capital Assets, Net of Related Debt		1,589,418
Restricted for Debt Service		52,271
Unrestricted		58,163

TOTAL NET ASSETS

	\$	1,699,852
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The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PARKS
 St. Martin Parish, Louisiana
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS-PROPRIETARY FUND-WATER/SEWER FUND
YEAR ENDED JUNE 30, 2004

		BUSINESS-TYPE ACTIVITY
		<u>ENTERPRISE FUND</u>
<u>OPERATING REVENUES:</u>		
Charges for Services:		
Water/Sewer Fees	\$	777,005
Meter Installations		29,825
Connection Fees		1,960
Extension & Addition Charges		4,900
Other operating Income		65,532
<u>TOTAL OPERATING REVENUES</u>	<u>\$</u>	<u>879,222</u>
<u>OPERATING EXPENSES:</u>		
Salaries	\$	216,565
Payroll Taxes		17,593
Insurance Expense		74,171
Repairs & Maintenance		39,522
Chemicals		6,058
Office Expense		10,941
Advertising		730
Dues & Subscriptions		8,956
Utilities		61,345
Contractual Services		76,702
Miscellaneous Expense		2,075
Automotive Expense		5,409
Licenses and Taxes		1,322
Professional Fees		18,260
Telephone/Pager Expense		4,866
Depreciation Expense		143,879
Operating Supplies		60,609
Training & Conferences		1,919
Sewer Maintenance Cost		13,200
<u>TOTAL OPERATING EXPENSES</u>	<u>\$</u>	<u>764,122</u>
<u>OPERATING INCOME/(LOSS)</u>	<u>\$</u>	<u>115,100</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS-PROPRIETARY FUND-WATER/SEWER FUND (CONTINUED)
YEAR ENDED JUNE 30, 2004

	<u>BUSINESS-TYPE ACTIVITY</u> <u>ENTERPRISE FUND</u>
<u>NON-OPERATING REVENUES/(EXPENSES):</u>	
Interest Income	\$ 859
Interest Expense	(61,701)
Amortization of Bond Issue/Refunding Costs	(5,581)
<u>TOTAL NON-OPERATING REVENUE/(EXPENSES)</u>	<u>\$ (66,423)</u>
<u>INCOME/(LOSS) BEFORE OPERATING TRANSFERS</u>	<u>\$ 48,677</u>
<u>OPERATING TRANSFERS:</u>	
Transfers Out	<u>\$ (22,090)</u>
<u>TOTAL OPERATING TRANSFERS</u>	<u>\$ (22,090)</u>
<u>NET INCOME/(LOSS)</u>	<u>\$ 26,587</u>
<u>CAPITAL CONTRIBUTIONS</u>	<u>15,000</u>
<u>CHANGE IN NET ASSETS</u>	<u>\$ 41,587</u>
<u>NET ASSETS BEGINNING OF YEAR</u>	<u>1,658,265</u>
<u>NET ASSETS END OF YEAR</u>	<u>\$ 1,699,852</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
 St. Martin Parish, Louisiana
STATEMENT OF CASH FLOWS
PROPRIETARY FUND-WATER/SEWER
 YEAR ENDED JUNE 30, 2004

	<u>BUSINESS-TYPE ACTIVITY</u> <u>ENTERPRISE FUND</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash received from customers	\$ 884,381
Cash payments to suppliers for goods and services	(377,989)
Cash payments to employees for services	(231,799)
<u>Net cash provided by operating activities</u>	<u>\$ 274,593</u>
 <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Acquisition and construction of capital assets	\$ (3,700)
Principal paid on revenue bonds and loan	(141,189)
Interest paid on revenue bonds and loan	(70,036)
Contributions from state grant	15,000
<u>Net cash used for capital and related financing activities</u>	<u>\$ (199,925)</u>
 <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Transfers out	\$ (22,090)
<u>Net cash used for noncapital financing activities</u>	<u>\$ (22,090)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest earned	\$ 859
<u>Net cash provided by investing activities</u>	<u>\$ 859</u>
 <u>NET INCREASE IN CASH</u>	 \$ 53,437
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	109,672
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>\$ 163,109</u>
 <u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	
Operating income	\$ 115,100
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	\$ 143,879
(Increase) decrease in accounts receivable	(1,026)
Increase (decrease) in accounts payable	8,096
Increase (decrease) in accrued liabilities	2,359
Net increase in customers' deposits	6,185
<u>Total adjustments</u>	<u>\$ 159,493</u>
 <u>Net cash provided by operating activities</u>	 <u>\$ 274,593</u>

The accompanying notes are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Village of Parks have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsection of this note.

A. Financial Reporting Entity

The Village of Parks was incorporated under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Aldermen form of government.

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

Based on the foregoing criteria, a certain governmental body is a related organization but is not a part of the Village and is thus excluded from the accompanying financial statements. This organization is the Parks Housing Authority. Although the Village does appoint its board, no control is exercised over its operations.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

Fund Financial Statements

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

The various funds of the Village are classified into two categories: governmental and proprietary. 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 Village 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 Village are described below:

Governmental Funds-

General Fund

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

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Special Revenue Funds

Sales Tax Fund-

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

Park Commission Fund-

The Park Commission Fund is used to account for fees assessed and expenses incurred in the operation of a recreational area.

Proprietary Funds-

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 Village's enterprise fund is the Water and Sewer Utility Fund.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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.

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.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Village.

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit with an original maturity of three months or less.

Interfund Receivables and Payables

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

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 sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible amounts due for sales and use taxes and customer's utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables is recorded due to immateriality at June 30, 2004. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are not recorded due to immateriality at June 30, 2004.

Capital Assets

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

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Prior to GASB No. 34, governments were not required to report general infrastructure assets. The Village of Parks did not capitalize infrastructure expenditures. During the current fiscal year, the Village will begin to capitalize infrastructure.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The Village of Parks maintains a threshold level of \$500 or more for capitalizing capital assets.

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

Buildings and improvements	10-40 years
Furniture and equipment	5-10 years
Vehicles	5 years
Water System	10-30 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

It is the policy of the Village to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. At June 30, 2004, there was no capitalized interest.

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.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary funds that are legally restricted as to their use. The restricted assets are related to debt service and to the utility meter deposits.

Long-term Debt

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

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

Employees of the Village of Parks earn sick leave and vacation days depending on length of employment. The vacation days and sick pay days cannot be carried over from year to year. Neither can be received in cash in lieu of taking the days. If an employee quits he forfeits all accumulated days. Because of these policies, there are no accruals made in either the proprietary fund or the governmental funds.

Equity Classifications

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

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

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

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

E. 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.

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.

F. Revenue Restrictions

The Village 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 6
Water and sewer revenue	Debt service and utility operations

The Village uses unrestricted resources only when restricted resources are fully depleted.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

G. Estimates

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

H. Budgets and Budgetary Accounting.

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

1. A public meeting is scheduled by the Board of Aldermen after allowing for at least 10 days notice to the public at the time the budget is initially submitted to the Board of Alderman.
2. The budget must be finally adopted by the Board of Alderman prior to the last day of the preceding fiscal year.
3. The Mayor and Board of Aldermen may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
4. Operating appropriations, to the extent not expended or encumbered, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
5. Formal budgetary integration is not employed as a management control device during the year for the General Fund and Special Revenue Fund. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Village does not employ the encumbrance system of accounting.

The budgeted accounts shown in these financial statements include the original and final budget amounts for the year ending June 30, 2004. The budget was properly amended during a public meeting held on June 9, 2004.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

(2) Changes in Accounting Principles

For the year ended June 30, 2004, the Village 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 Village’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 Village also implemented GASB Statement No. 33, Accounting and Financial Reporting for Non-exchange 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, 2003, 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 July 1, 2003 to be restated in terms of “net assets” as follows:

Total fund balances – Governmental funds-		
At July 1, 2003		\$ 32,911
Add: Cost of capital assets at July 1, 2003	\$144,990	
Less: Accumulated depreciation at July 1, 2003	<u>(77,178)</u>	<u>67,812</u>
Net assets at July 1, 2003		<u>\$100,723</u>

(3) Cash and Interest Bearing Deposits

Under state law, the Village of Parks 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 Village of Parks may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal office in Louisiana. At June 30, 2004, the Village of Parks has cash and interest-bearing deposits (book balances) totaling \$217,597 as follows:

Demand Deposits	<u>\$217,597</u>
Total	<u>\$217,597</u>

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

(3) Cash and Interest Bearing Deposits (Continued)

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

Deposit balances at June 30, 2004 are secured as follows:

Bank balances	<u>\$231,774</u>
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At June 30, 2004 the deposits are secured as follows:

Federal Deposit Insurance	\$231,774
Pledged Securities (Category 3)	<u>\$ -0-</u>
	<u>\$231,774</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 Village of Parks name. Even though the 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 Village of Parks that the fiscal agent has failed to pay deposited funds upon demand.

(4) 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 Village of Parks in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

The Village of Parks bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Martin Parish. For the year ended June 30, 2004, taxes of 2.43 mills were levied and dedicated for general corporate purposes.

There were no uncollected balances of ad valorem taxes as of June 30, 2004.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

(5) Receivables

Receivables at June 30, 2004 of \$87,739 consist of the following:

	Sales Tax	Utility	Total
Accounts	\$ -	\$ 82,383	\$ 82,383
Taxes:			
Sales Tax	5,356	-	5,356
Totals	<u><u>\$ 5,356</u></u>	<u><u>\$ 82,383</u></u>	<u><u>\$ 87,739</u></u>

(6) Dedication of Sales Tax Proceeds

Proceeds of the two percent (2%) sales and use tax being levied by the Village of Parks, after payment of all necessary expenses of collection and administration, have been dedicated to constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, sidewalks, sewers and sewerage disposal works, public buildings, police department and equipment, public parks, recreational facilities, waterworks, disposal of garbage, street lighting, purchasing of immovable property and purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements, and facilities.

(7) Restricted Assets – Proprietary Fund Type

Restricted assets were applicable to the following at June 30:

	<u>2004</u>
Cash and Interest Bearing Deposits:	
Revenue Bond Sinking Funds	\$ 6,387
Revenue Bond Reserve Funds	26,032
Revenue Bond Contingency Funds	<u>19,852</u>
Total Restricted Assets:	\$ <u>52,271</u>

The customers' meter deposit funds have been combined with bond reserve and contingency funds subsequent to the refunding of \$466,700 of water revenue bonds originally held by the Louisiana Public Finance Authority. A segregation of customers' meter deposit funds will be reinstated as projected surplus funds from utility operations become available.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

(8) Capital Assets

Capital assets and depreciation activity, as of and for the year ended June 30, 2004, for the Village of Parks are as follows:

	Balances <u>June 30, 2003</u>	<u>Additions</u>	<u>Disposals</u>	Balances <u>June 30, 2004</u>
Governmental activities				
Land	\$ 30,000			\$ 30,000
Buildings and improvements	72,595			72,595
Equipment	8,196			8,196
Furniture and fixtures	7,381			7,381
Vehicles	14,318			14,318
Other structures and improvements	12,500			12,500
<u>Total at historical cost</u>	<u>\$ 144,990</u>	<u>-0-</u>	<u>-0-</u>	<u>\$ 144,990</u>
Less accumulated depreciation				
Buildings and improvements	\$ 34,783	\$ 1,815		\$ 36,598
Equipment	8,196			8,196
Furniture and fixtures	7,381			7,381
Vehicles	14,318			14,318
Other structures and Improvements	12,500			12,500
<u>Total accumulated depreciation</u>	<u>\$ 77,178</u>	<u>\$ 1,815</u>	<u>-0-</u>	<u>\$ 78,993</u>
Governmental activities, capital assets, net	<u>\$ 67,812</u>	<u>\$ (1,815)</u>	<u>-0-</u>	<u>\$ 65,997</u>
Business-type activities				
Waterworks plant and equipment	\$ 4,641,407	\$ 3,700		\$ 4,645,107
Land	44,599			44,599
<u>Total at historical cost</u>	<u>\$ 4,686,006</u>	<u>\$ 3,700</u>	<u>-0-</u>	<u>\$ 4,689,706</u>
Less accumulated depreciation				
Waterworks plant and equipment	\$ 1,812,458	\$ 143,879		\$ 1,956,337
<u>Total accumulated depreciation</u>	<u>\$ 1,812,458</u>	<u>\$ 143,879</u>	<u>-0-</u>	<u>\$ 1,956,337</u>
Business-type, capital assets, net	<u>\$ 2,873,548</u>	<u>\$ (140,179)</u>	<u>-0-</u>	<u>\$ 2,733,369</u>

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

(8) Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 1,815
Public safety – police	<u>-0-</u>
<u>Total</u>	<u>\$ 1,815</u>

(9) Accounts and Other Payables

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts payable	\$ -0-	\$ 10,163	\$ 10,163
Other liabilities	<u>5,049</u>	<u>3,234</u>	<u>8,283</u>
	<u>\$ 5,049</u>	<u>\$ 13,397</u>	<u>\$ 18,446</u>

(10) Proprietary Fund Type-Flow of Funds – Restriction on Use

Under the terms of the bond indentures on outstanding Water System Revenue Bonds dated February 1, 1967, August 1, 1972, December 1, 1998 and January 1, 1999, all income and revenues of every nature, earned or derived from operation of the Water System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Out of the revenue there shall be set aside from time to time into an "Operation and Maintenance Fund" amounts sufficient to provide for the payment of the reasonable and necessary expenses of operating and maintaining the system.

Each month there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing annual installment of principal and 1/6 of the next maturing semi-annual installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

(10) Proprietary Fund Type-Flow of Funds – Restriction on Use (Continued)

There shall also be set aside into a "Bond Reserve Fund" a sum at least equal to five percent (5%) of the monthly amount required to be paid into the sinking fund, until such time as there has been accumulated therein the sum of \$100,000. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the "Bond and interest Sinking Fund" and as to which there would otherwise be default.

There will also be set aside into a "Replacement Fund" a sum at least equal to five percent (5%) of the monthly amount required to be paid into the sinking fund. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which *are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense.* Money in this fund may also be used to pay principal or interest on the bonds falling due at any time that there is not sufficient money for payment in the other bond funds.

Under the terms of the Rural Development Loan dated July 19, 1994, there shall be set aside monthly into a sinking fund the amount of \$996.03 for payment of monthly maturities of interest and principal on said bonds. Additionally, there shall be set aside monthly the sum of \$50 into a bond reserve fund, until the maximum reserve fund amount of \$11,952.36 is reached. Simultaneously, a monthly payment of \$54 is to be set aside into a bond contingency fund to be used for extraordinary repairs to the sewer system and to pay any principal and interest payments coming due for which sufficient funds are not available in any of the other sewer revenue bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose. As of June 30, 2004, the Village of Parks, Louisiana was in compliance with the stipulations of the aforementioned bond indentures with regard to bond fund sinking and reserve requirements.

(11) Employee Retirement

All employees of the Village of Parks participate in the Social Security System. The Village and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Village, 7.65% by the employees). The Village's contributions during the years ended June 30, 2004, 2003, and 2002 amounted to \$22,437, \$21,552 and \$20,745, respectively, equal to the required contribution for each year.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

(11) Employee Retirement (Continued)

The Chief-of-Police belongs to the Municipal and State Police Retirement System. This System is a cost-sharing, multiple-employer defined benefit pension plan, controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows.

Plan members are required to contribute 7.5 percent of their annual covered salary to the system while the Village is required to contribute the statutory rate of 15.25 percent of the total annual covered salary. The Village's contributions to the system for the years ended June 30, 2004, 2003, and 2002 were \$5,161, \$2,631, and \$2,507, respectively, equal to the required contribution for each year.

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, Louisiana 70804-9095.

(12) Interfund Transactions

A. Receivables and Payables

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

Due to the Water and Sewer Utility Fund from the Sales Tax Fund for reimbursement of expenditures paid	\$ 3,661
Due to the Water and Sewer Utility Fund from the General Fund for reimbursement for expenditures paid	<u>1,864</u>
Total	\$ <u>5,525</u>

Summary of balances due from other funds reported in fund financial statements:

Due from other funds, Statement of Net Assets – Proprietary Funds	<u>5,525</u>
Total	\$ <u>5,525</u>

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

(12) Interfund Transactions (Continued)

B. Transfers

Transfers consisted of the following at June 30, 2004:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 8,790	\$ -
Sales Tax Special Revenue Fund	13,300	-
Proprietary Funds:		
Water and Sewer Utility Fund	-	22,090
Total	\$ 22,090	\$ 22,090

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(13) Risk Management

The Village is exposed to risks of loss in the areas of general and auto liability and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year.

(14) Changes in Long-Term Debt

	<u>Business-Type Activities</u>				<u>Total</u>
	<u>Capital Leases</u>	<u>Revenue Bonds</u>	<u>Certificate of Indebtedness</u>	<u>Rural Development Loans</u>	
Long-term Debt Payable-7/1/03	\$ 50,628	\$ 930,000	\$ 125,000	\$ 199,230	\$ 1,304,858
Long-term Debt Retired	(10,140)	(98,000)	(30,000)	(3,049)	(141,189)
Long-term Debt Issued	-	-	-	-	-
Long-term Debt Payable-6/30/04	\$ 40,488	\$ 832,000	\$ 95,000	\$ 196,181	\$ 1,163,669

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

(14) Changes in Long-Term Debt (Continued)

These revenue bonds are payable from the water/sewer department proprietary fund, and are comprised of the following individual issues at June 30, 2004:

Revenue bonds

\$610,000 Water System Revenue Bonds dated 8/1/72; due in annual installments of \$3,000-\$24,000 through August 1, 2012; interest at 5.625% and secured by water system revenues.	\$ 183,000
\$143,000 Water System Revenue Bonds dated 2/1/67; due in annual installments of \$1,000-\$8,000 through February 1, 2007; interest at 3.75% and secured by water system revenues.	22,000
\$403,000 Water Revenue Refunding Bonds dated 12/1/98; due in annual installments of \$9,000-\$44,000 through April 1, 2009; interest at 7.13% and secured by water system revenues.	\$227,000
\$1,000,000 Water System Revenue Bonds dated 1/1/99; due in annual installments of \$45,000-\$95,000 through April 1, 2014; interest at 5.00% and secured by water system revenues.	400,000
Subtotal	<u>\$ 832,000</u>

Certificates of Indebtedness

\$265,000 Certificates of Indebtedness dated 4/1/97; due in annual installments of \$20,000-\$35,000 through April 1, 2007; interest at 5.25% and secured by revenues of the General Fund and Enterprise Fund.	95,000
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VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

(14) Changes in Long-Term Debt (Continued)

Rural Development Loan

\$217,000 Rural Development Loan dated 7/19/94; with interest only due annually on 7/19/95 and 7/19/96 in the amount of \$9,765.00 and thereafter due in monthly installments of \$996.03 through July 19, 2034; interest at 4.5% and secured by sewer system revenues.

196,181

Capital Lease

\$75,000 equipment lease dated February 25, 2003, due in monthly installments of \$1,025 including interest at 4.79%, through January 25, 2008 secured by Water System revenues.

40,488

Total

\$1,163,669

The bonds, loans, certificates, and capital lease payments are due as follows:

Year ending June 30,	<u>Business-Type Activities</u>	
	<u>Principal payments</u>	<u>Interest payments</u>
2005	\$ 145,814	\$ 62,051
2006	149,470	53,785
2007	164,155	45,277
2008	125,711	36,007
2009	106,817	28,741
2010-2014	314,883	78,719
2015-2019	27,393	32,369
2020-2024	34,291	25,471
2025-2029	42,926	16,837
2030-2034	52,209	6,031
Total	\$ <u>1,163,669</u>	\$ <u>385,288</u>

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

(15) Compensation of Village Officials

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

John L. Dugas, Mayor	\$ 39,600
Aldermen:	
Gwen Glover	2,400
Lawrence Narcisse	2,200
Harold Robertson	<u>2,400</u>
Total	<u>\$ 46,600</u>

REQUIRED SUPPLEMENTARY INFORMATION
(BUDGETARY COMPARISON SCHEDULES)

VILLAGE OF PARKS
St. Martin Parish, Louisiana

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2004

	<u>Budget</u>			<u>Variance-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Taxes	\$ 4,250	\$ 6,639	\$ 6,639	\$ -
Licenses and Permits	35,600	35,567	39,815	4,248
Intergovernmental Revenue:				
Federal Funds:				
Federal Grants	-	-	-	-
State Funds:				
State Revenue Sharing(net)	1,250	1,281	1,281	-
Other State Funds	-	-	1,266	1,266
Fines and Penalties	12,500	6,600	6,260	(340)
Miscellaneous	2,400	3,000	-	(3,000)
<u>TOTAL REVENUES:</u>	<u>\$ 56,000</u>	<u>\$ 53,087</u>	<u>\$ 55,261</u>	<u>\$ 2,174</u>
 <u>EXPENDITURES:</u>				
Current Operating-				
General Government	\$ 55,480	\$ 53,080	\$ 52,963	\$ 117
Public Works		-	-	-
<u>TOTAL EXPENDITURES:</u>	<u>\$ 55,480</u>	<u>\$ 53,080</u>	<u>\$ 52,963</u>	<u>\$ 117</u>
 <u>EXCESS/(DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES:</u>	 <u>\$ 520</u>	 <u>\$ 7</u>	 <u>\$ 2,298</u>	 <u>\$ 2,291</u>
 <u>OTHER FINANCING SOURCES/(USES):</u>				
Operating Transfers (Net)	\$ -	\$ -	\$ 8,790	\$ 8,790
<u>TOTAL OTHER FINANCING</u> <u>SOURCES/(USES):</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,790</u>	<u>\$ 8,790</u>
 <u>EXCESS/(DEFICIENCY) OF REVENUES</u> <u>AND OTHER SOURCES OVER</u> <u>EXPENDITURES AND OTHER USES:</u>	 <u>\$ 520</u>	 <u>\$ 7</u>	 <u>\$ 11,088</u>	 <u>\$ 11,081</u>
 <u>FUND BALANCES/(DEFICIT)-</u> <u>BEGINNING:</u>	 <u>22,076</u>	 <u>22,076</u>	 <u>22,076</u>	 <u>-</u>
 <u>FUND BALANCES/(DEFICIT)-ENDING:</u>	 <u>\$ 22,596</u>	 <u>\$ 22,083</u>	 <u>\$ 33,164</u>	 <u>\$ 11,081</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

SPECIAL REVENUE FUND
Sales Tax Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2004

	<u>Budget</u>		<u>Actual</u>	<u>Variance- Favorable/ Unfavorable</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes	\$ 66,000	\$ 64,600	\$ 68,531	\$ 3,931
Miscellaneous	750	1,500	236	(1,264)
<u>TOTAL REVENUES</u>	<u>\$ 66,750</u>	<u>\$ 66,100</u>	<u>\$ 68,767</u>	<u>\$ 2,667</u>
<u>EXPENDITURES:</u>				
Current Operating- Public Safety(Police Dept.)	\$75,245	\$ 78,995	\$ 78,295	\$ 700
Capital Outlay	-	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>\$ 75,245</u>	<u>\$ 78,995</u>	<u>\$ 78,295</u>	<u>\$ 700</u>
<u>EXCESS /(DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>\$ (8,495)</u>	<u>\$ (12,895)</u>	<u>\$ (9,528)</u>	<u>\$ 3,367</u>
<u>OTHER FINANCING SOURCES/(USES):</u>				
Operating Transfers(Net)	\$ 8,500	\$ 13,300	\$ 13,300	\$ -
<u>TOTAL OTHER FINANCING SOURCES/(USES):</u>	<u>\$ 8,500</u>	<u>\$ 13,300</u>	<u>\$ 13,300</u>	<u>\$ -</u>
<u>EXCESS/(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>\$ 5</u>	<u>\$ 405</u>	<u>\$ 3,772</u>	<u>\$ 3,367</u>
<u>FUND BALANCE/ (DEFICIT)-BEGINNING</u>	<u>1,198</u>	<u>1,198</u>	<u>1,198</u>	<u>-</u>
<u>FUND BALANCE/ (DEFICIT)-ENDING</u>	<u>\$ 1,203</u>	<u>\$ 1,603</u>	<u>\$ 4,970</u>	<u>\$ 3,367</u>

VILLAGE OF PARKS
St. Martin Parish, Louisiana

SPECIAL REVENUE FUND
Park Commission Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2004

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable/ (Unfavorable)</u>
<u>REVENUES:</u>				
Fees/Charges for Services	\$ 2,500	\$ 2,500	\$ 2,770	\$ 270
Miscellaneous	-	-	-	
<u>TOTAL REVENUES</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,770</u>	<u>\$ 270</u>
<u>EXPENDITURES:</u>				
Current Operating-				
Recreation	\$ 1,500	\$ 1,500	\$ 1,271	\$ 229
Capital Outlay	-	-	-	
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 1,271</u>	<u>\$ 229</u>
<u>EXCESS /(DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,499</u>	<u>\$ 499</u>
<u>OTHER FINANCING SOURCES/(USES):</u>				
Operating Transfers(Net)	None	None	None	None
<u>TOTAL OTHER FINANCING SOURCES/(USES):</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
<u>EXCESS/(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,499</u>	<u>\$ 499</u>
<u>FUND BALANCE/ (DEFICIT)-BEGINNING</u>	<u>9,637</u>	<u>9,637</u>	<u>9,637</u>	<u>-</u>
<u>FUND BALANCE/ (DEFICIT)-ENDING</u>	<u>\$10,637</u>	<u>\$ 10,637</u>	<u>\$ 11,136</u>	<u>\$ 499</u>

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

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LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

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

To the Mayor and the Board of
Aldermen of the Village
Of Parks, Louisiana

We have audited the financial statements of the Village of Parks, Louisiana, as of June 30, 2004 and for the year then ended, and have issued our report thereon dated December 29, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Parks' 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 no instances of non-compliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Statements

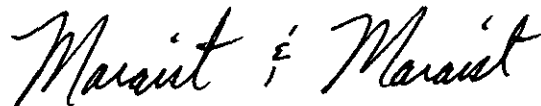
In planning and performing our audit, we considered the Village of Parks internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters

To the Mayor and the Board of
Aldermen of the Village
Of Parks, Louisiana

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 Village of Parks ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of prior and current audit findings as item 04-1.

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 material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition identified as item 04-1 in the schedule of prior and current audit findings is a material weakness.

This report is intended solely for the information and use of management, others within the organization, Aldermen, and federal awarding agencies an pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



MARAIST & MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

December 29, 2004

VILLAGE OF PARKS
St. Martin Parish, Louisiana

Schedule of Prior and Current Audit Findings

Year Ended June 30, 2004

Compliance

There were no instances of non-compliance for the year ending June 30, 2003.

There were no instances of non-compliance for the year ending June 30, 2004.

Internal Control Over Financial Reporting

The following item is considered a material weakness. It was also mentioned as a material weakness at June 30, 2003.

04-1 Inadequate Segregation of Accounting Functions

Finding: Due to a limited number of employees, the Village of Parks did not have an adequate segregation of functions within the accounting system.

Recommendation: Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: No response is considered necessary.