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**TOWN OF FORDOCHE, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 APR 05 2000

**TOWN OF FORDOCHE  
POINTE COUPEE PARISH, LOUISIANA  
P. O. BOX 10  
FORDOCHE, LA 70732  
(504) 637-3112**

**MAYOR**  
Justin K. Cox

**COUNCIL**  
Robin Cashio  
Michel Meche  
Irma Smith  
Pat Smith  
Don Sonnier

**LEGAL COUNSEL**  
Stephen H. Marionneaux

**TOWN CLERK**  
Shelly Hammers

**CHIEF OF POLICE**  
Fred Gucho

**MEETING DATE**

2nd Tuesday of Every Month  
6:30 pm - Town Hall

**TOWN OF FORDOCHE, LOUISIANA  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 1999**

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# George F. Delaune

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GOVERNMENT FINANCE  
OFFICERS ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Mayor and Board of Aldermen  
Town of Fordoche, Louisiana

I have audited the accompanying general purpose financial statements of the TOWN OF FORDOCHE, LOUISIANA, as of and for the year ended December 31, 1999, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Town of Fordoche, Louisiana's management. My responsibility is to express an opinion on these general purposes financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Fordoche, Louisiana, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 17, 2000, on my consideration of the Town of Fordoche, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of Town of Fordoche, Louisiana, taken as a whole. The accompanying financial information listed as Supplemental Information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Fordoche, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*George F. Delaune, CPA*

February 17, 2000

**EXHIBIT A**  
**TOWN OF FORDOCHE, LOUISIANA**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 1999**

	Govern- mental <u>Fund Type</u>	Proprietary <u>Fund Type</u>	Account Group	Totals (Memorandum Only)	
			General Fixed Assets		
	<u>General</u>	<u>Enterprise</u>		<u>1999</u>	<u>1998</u>
<b>ASSETS</b>					
Cash	\$ 119,764	\$ 53,031		\$ 172,795	\$ 139,796
Receivables -					
Taxes - ad valorem	18,983			18,983	15,104
Taxes - franchise	4,131			4,131	5,118
Utility billings		1,434		1,434	2,238
Due from other governmental units -					
Louisiana - beer taxes					270
Louisiana - tobacco taxes	1,170			1,170	1,169
Louisiana - video poker	708			708	820
Louisiana - grass cutting	1,750			1,750	1,750
Due from other funds -					
Water System	8,949			8,949	7,838
Prepaid expenses	857	710		1,567	1,591
Property, Plant and Equipment -					
Land			1,500	1,500	1,500
Buildings and improvements			44,514	44,514	44,514
Water system		641,990		641,990	641,990
Tractors and equipment			39,271	39,271	34,665
Equipment		3,224	13,258	16,482	10,845
Vehicles		3,216		3,216	3,216
Office equipment		1,378	6,275	7,653	7,653
Construction in progress		24,523		24,523	
Accumulated depreciation		(253,972)		(253,972)	(234,549)
<b>TOTAL ASSETS</b>	<b><u>\$ 156,312</u></b>	<b><u>\$ 475,534</u></b>	<b><u>\$ 104,818</u></b>	<b><u>\$ 736,664</u></b>	<b><u>\$ 685,528</u></b>

The accompanying notes are an integral part of this statement.

	<u>Governmental Fund Type</u>	<u>Proprietary Fund Type</u>	<u>Account Group</u>	<u>Totals (Memorandum Only)</u>	
	<u>General</u>	<u>Enterprise</u>	<u>General Fixed Assets</u>	<u>1999</u>	<u>1998</u>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,412	\$ 2,041		\$ 3,453	\$ 2,670
Accrued payroll deductions	695	440		1,135	
Deferred revenue		1,489		1,489	1,423
Due to other funds - Water system		8,949		8,949	7,838
<b>Total Liabilities</b>	<u>2,107</u>	<u>12,919</u>		<u>15,026</u>	<u>11,931</u>
<b>Fund Equity:</b>					
<b>Contributed capital -</b>					
Customers		2,000		2,000	2,000
Municipality		21,942		21,942	21,942
Parish grant		2,077		2,077	2,077
State grant		27,505		27,505	
Federal grant		534,065		534,065	534,065
Accumulated amortization		(171,933)		(171,933)	(156,557)
Investment in general fixed assets			104,818	104,818	94,575
<b>Retained earnings -</b>					
Unreserved		46,959		46,959	39,443
<b>Fund balances -</b>					
<b>Unreserved --</b>					
Undesignated	154,205			154,205	136,053
<b>Total Fund Equity</b>	<u>154,205</u>	<u>462,615</u>	<u>104,818</u>	<u>721,638</u>	<u>673,598</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 156,312</u>	<u>\$ 475,534</u>	<u>\$ 104,818</u>	<u>\$ 736,664</u>	<u>\$ 685,529</u>

The accompanying notes are an integral part of this statement.

**EXHIBIT B**  
**TOWN OF FORDOCHE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUND TYPE - GENERAL FUND**  
**FOR YEAR ENDED DECEMBER 31, 1999**

	<u>1999</u>	<u>1998</u>
Revenues:		
Taxes	\$ 67,935	\$ 66,572
Licenses and permits	11,930	9,124
Intergovernmental revenue	7,423	37,573
Fines and forfeitures	7,141	2,994
Miscellaneous revenues	<u>8,627</u>	<u>7,715</u>
 Total Revenues	 <u>103,056</u>	 <u>123,978</u>
Expenditures:		
Current -		
General government	37,973	29,699
Public safety	18,169	18,457
Streets and drainage	18,519	49,854
Capital outlays -		
General government		
Public safety	5,637	747
Streets and drainage	<u>4,606</u>	<u>          </u>
 Total Expenditures	 <u>84,904</u>	 <u>98,757</u>
 Excess of Revenues (Expenditures)	 18,152	 25,221
 Fund Balance - January 1	 <u>136,053</u>	 <u>110,832</u>
 FUND BALANCE - December 31	 <u><u>\$ 154,205</u></u>	 <u><u>\$ 136,053</u></u>

The accompanying notes are an integral part of this statement.

EXHIBIT C  
TOWN OF FORDOCHE, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 60,650	\$ 67,935	\$ 7,285	\$ 66,572
Licenses and permits	9,335	11,930	2,595	9,124
Intergovernmental revenue	8,743	7,423	(1,320)	37,573
Fines and forfeitures	3,350	7,141	3,791	2,994
Miscellaneous revenues	6,560	8,627	2,067	7,715
Total Revenues	<u>88,638</u>	<u>103,056</u>	<u>14,418</u>	<u>123,978</u>
Expenditures:				
Current -				
General government	42,863	37,973	4,890	29,699
Public safety	21,526	18,169	3,357	18,457
Streets and drainage	24,847	18,519	6,328	49,854
Capital outlays -				
General government	250		250	
Public safety	1,500	5,637	(4,137)	747
Streets and drainage	10,500	4,606	5,894	
Total Expenditures	<u>101,486</u>	<u>84,904</u>	<u>16,582</u>	<u>98,757</u>
Excess of Revenues (Expenditures)	(12,848)	18,152	31,000	25,221
Transfer to Enterprise Fund				
Fund Balance - January 1	<u>136,053</u>	<u>136,053</u>		<u>110,832</u>
FUND BALANCE - December 31	<u><u>\$ 123,205</u></u>	<u><u>\$ 154,205</u></u>	<u><u>\$ 31,000</u></u>	<u><u>\$ 136,053</u></u>

The accompanying notes are an integral part of this statement.

EXHIBIT D  
TOWN OF FORDOCHE, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS -  
PROPRIETARY FUND TYPE (ENTERPRISE FUND)  
FOR THE YEAR ENDED DECEMBER 31, 1999

	1999	1998
Operating Revenues:		
Charges for services -		
Water sales	\$ 38,125	\$ 33,471
Miscellaneous revenues	7,773	3,879
	45,898	37,350
Operating Expenses:		
Water Expenses -		
Superintendent salary	2,558	1,909
Maintenance salaries	1,166	1,588
Employee benefits	285	1,049
Current used in pumping	5,961	7,515
Insurance	857	1,421
Rent - monitoring equipment	1,860	1,918
Maintenance of pumping equipment	981	6,870
Maintenance of lines	5,034	2,456
Maintenance of chlorinator	921	29
Chlorine	656	2,265
Vehicle - diesel and gas		117
Supplies and small tools	604	131
Depreciation	19,147	19,308
	40,030	46,576
Total Water Expenses		
General and Administrative -		
Office salaries	5,615	3,900
Employee benefits	430	404
Audit fees	1,100	1,000
Insurance	587	973
Dues	150	150
Office supplies	480	576
Postage and post cards	640	487
Maintenance of computer equipment	4,115	
Miscellaneous	335	230
Depreciation	275	275
	13,727	7,995
Total General and Administrative		
Total Operating Expenses	53,757	54,571
Operating (Loss)	(7,859)	(17,221)

The accompanying notes are an integral part of this statement.

	<u>1999</u>	<u>1998</u>
Add depreciation on fixed assets acquired by grants for capital acquisitions and construction that reduces contributed capital	<u>15,375</u>	<u>15,375</u>
Increase in Retained Earnings	7,516	(1,846)
Retained Earnings - January 1	<u>39,443</u>	<u>41,289</u>
<b>RETAINED EARNINGS - December 31</b>	<u><b>\$ 46,959</b></u>	<u><b>\$ 39,443</b></u>

The accompanying notes are an integral part of this statement.

EXHIBIT E  
TOWN OF FORDOCHE, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE (ENTERPRISE FUND)  
FOR THE YEAR ENDED DECEMBER 31, 1999

	1999	1998
Cash Flows from Operating Activities:		
Operating (loss)	\$ (7,859)	\$ (17,221)
Adjustments to reconcile operating (loss) to net cash provided by operating activities -		
Depreciation	19,422	19,583
Changes in assets and liabilities -		
Decrease (increase) in receivables	803	(237)
Decrease (increase) in prepaid expenses	23	889
Increase (decrease) in accounts payable	(276)	490
Increase (decrease) in accrued payroll deductions	440	
Increase (decrease) in deferred income	65	(1,214)
Increase (decrease) in due to other funds	1,111	1,497
Net Cash Provided by (Used for) Operating Activities	13,729	3,787
Cash Flows from Capital and Related Financing Activities:		
Proceeds of LCDBG grant	27,505	
Construction in progress on LCDBG grant project	(24,523)	
Net Cash (Used for) Capital and Related Financing Activities	2,982	
Net Increase in Cash and Cash Equivalents	16,711	3,787
Cash and Cash Equivalents - January 1	36,320	32,533
CASH AND CASH EQUIVALENTS - December 31	\$ 53,031	\$ 36,320

The accompanying notes are an integral part of this statement.

**TOWN OF FORDOCHE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999**

**NOTE 1 - INTRODUCTION**

The Town of Fordoche, Louisiana (the "Town") was incorporated May 10, 1961, under the provisions of Title 33, Chapter 2, Part 1, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The Town operates under a Mayor-Board of Aldermen Council form of government and provides the following services--public safety (police), streets, public improvements, and general administrative services. In addition, the Town owns and operates a water enterprise activity.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

As the municipal governing authority, for reporting purposes, the Town of Fordoche is considered a separate financial reporting entity. The financial reporting entity consists of [a] the primary government (municipality), [b] organizations for which the primary government is financially accountable, and [c] other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Fordoche for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Town of Fordoche (the primary government). There are no component units that are required to be included with the reporting entity.

TOWN OF FORDOCHE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1999

Other Organizations

The municipality may appoint some, or all, governing board members of organizations that are not included as component units in the primary government's reporting entity. These organizations are classified as [a] related organizations, [b] joint ventures and jointly governed organizations, and [c] component units of another government with characteristics of a joint venture or jointly governed organization.

Considered in the determination of component units of the reporting entity were the Pointe Coupee Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the 18th Judicial District. It was determined that these governmental entities are not component units of the Town of Fordoche reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Fordoche.

Also, excluded from the reporting entity:

Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana

This potential component unit has a separate board appointed jointly by the area governments' governing bodies. It provides services to residents, within the geographic boundaries of the government and other areas adjacent to it. This unit is excluded from the reporting entity because the government does not have the ability to exercise influence or control over its daily operations, approve budgets or provide funding.

Fund Accounting

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

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

Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

**Governmental Fund**

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund--the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.

**Proprietary Fund Type**

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

Enterprise funds--account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body 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.

**Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become

**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales and use tax revenues are recorded in the month they are received by the parish tax collector.

Federal and state grants and reimbursements are recorded when the Town is entitled to the funds.

Fines, forfeitures, and court costs are recorded in the year they are received by the Town or parish tax collector.

Fees, charges and commissions are recognized as revenue in the month in which they are earned and billed.

Substantially all other revenues are recorded when received by the Town.

#### **Expenditures**

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

#### **Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recorded when the actual transfers occurs.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

#### **Budgets**

A proposed operating budget for the fiscal year, prepared on GAAP Basis, is approved by the Board of Aldermen and adopted in accordance with the Local Government Budget Law. The operating budget includes proposed expenditures and the means of financing them.

**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

During the year, monthly budgetary comparison statements are used as management tools to control operations. When necessary the Board adopts budget amendments which are included in minutes published in the official journal.

The Board exercises budgetary control at the line item level. Unexpended appropriations lapse at the year end and must be reappropriated in the next year's budget to be expended.

*Encumbrances*

The Town does not follow the encumbrance method of accounting.

*Cash and Cash Equivalents*

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

*Accounts Receivable and Bad Debts*

The Town uses the direct charge-off method whereby uncollectible amounts due from ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

*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 on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

*Inventories*

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

*General Fixed Assets*

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group.

TOWN OF FORDOCHE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1999

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, streets, and drainage systems, are not capitalized with other fixed assets. Interest cost incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Property, Plant and Equipment - Proprietary Fund

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation is charged as an expense against operations. Depreciation is computed using the straight-line method with estimated useful lives as follows:

Water System	35 Years
Equipment	10 Years
Vehicles	5 Years
Office Equipment	5 Years

Compensated Absences

The Town has not established any vacation or sick leave policies.

Fund Equity

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as a adjustment to net income.

**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

**Unreserved Retained Earnings**

Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution.

**Unreserved-Undesignated Fund Balances**

The unreserved-undesignated fund balances for governmental funds represent the amount available for budgeting future operations.

*Interfund Transactions*

All interfund transfers are reported as operating transfers.

*Comparative Data*

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

*Total Columns on Combined Statements*

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

**NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS**

At December 31, 1999, the status of deposited funds and collateralized balances are as follows:

Balance per bank statements	\$ 177,347
Secured by Federal Deposit insurance	100,000
Secured by Pledge of securities	<u>194,475</u>
Unsecured and Uncollateralized	<u><u>\$ 0</u></u>

**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

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.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 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 that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 4 - CHANGES IN FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 1,500			\$ 1,500
Buildings and improvements	44,514			44,514
Tractor and equipment	34,665	\$ 4,606		39,271
Equipment	7,621	5,637		13,258
Office equipment	6,275			6,275
Totals	<u>\$ 94,575</u>	<u>\$ 10,243</u>		<u>\$ 104,818</u>

A summary of changes in proprietary fund type property, plant and equipment follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Water system	\$ 641,990			\$ 641,990
Equipment	3,224			3,224
Office equipment	1,378			1,378
Vehicles	3,216			3,216
Construction in progress	0	\$ 24,523		24,523
	649,808	<u>\$ 24,523</u>		674,331
Accumulated depreciation	(234,549)	<u>\$ 19,423</u>		(253,972)
	<u>\$ 415,259</u>			<u>\$ 420,359</u>

**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

From 1987 through 1990 the Town received federal capital grant funds for the purpose of expanding and enhancing the existing water system. Grant funds received and expended on this project amounted to \$534,065, which were capitalized. This capital grant and capital contributions of \$4,077 is reported under fund equity and is amortized over the estimated useful life of the improvements of 35 years.

**NOTE 5 - AD VALOREM TAXES**

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 10% of "use" value; and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Town. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If the 1991 taxes are not paid by the due date of December 31st, the taxes bear interest at 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are collected from November to February by the Sheriff. Any amounts not collected at December 31st are shown as accounts receivable.

**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1999**

The following is a summary of the tax assessment rolls for the last ten years:

Year	Mills Levied	Assessed Value	Homestead Exemption	Tax to be Paid by Owner	Tax to be Paid by State	Total Tax
1990	7.42	\$ 1,119,932		\$ 8,309.81		\$ 8,309.81
1991	7.00	1,159,133		8,114.06		8,114.06
1992	6.68	1,230,330		8,218.62		8,218.62
1993	13.68	1,256,344		17,186.79		17,186.79
1994	14.08	1,296,809		18,259.09		18,259.09
1995	14.08	1,335,392		18,802.34		18,802.34
1996	13.05	1,497,390		19,541.65		19,541.65
1997	13.05	1,525,691		19,910.99		19,910.99
1998	13.05	1,573,420		20,533.83		20,533.83
1999	13.05	1,711,392		22,334.44		22,334.44

**NOTE 6 - SALES TAX and CENTRALIZED COLLECTION AGENCY AGREEMENT**

In accordance with Paragraph (B)(1) of Section 3 of Article VII of the Constitution of the State of Louisiana, the Town entered into an agreement on May 20, 1992 with all of the sales and use taxing authorities of the Parish of Pointe Coupee designating the Sales Tax Department of the Pointe Coupee Parish Police Jury as the single tax collection entity. The agreement is effective as of July 1, 1992, the agreement authorizes the Town to compensate the collection agency 1.5% of the gross amounts collected.

**NOTE 7 - FRANCHISE AGREEMENTS**

The Town has granted three franchises:

*Cable Television*

A non-exclusive cable television franchise was granted to Spillway Cablevision, Inc. on November 14, 1995 for a period of 15 years. The annual franchise fee for this franchise shall be 3% of the annual gross subscriber revenues.

**TOWN OF FORDOCHE, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 1999**

Telephone

On January 15, 1998, the Town renewed a telephone franchise with Star Telephone Company, Inc. for a period of twenty-five years ending December 31, 2022. The annual franchise fee for this franchise is 2% of the Company's gross receipts.

Electric

On February 10, 1994, the Town granted a franchise to Pointe Coupee Electric Membership Corporation (a non-profit corporation) to supply electric energy to the Town and the inhabitants thereof for a period of 20 years. In consideration, the Town shall receive a fee equaling \$.0025 per kilowatt-hour for each kilowatt-hour sold within the corporate limits of the Town. In addition, the Town is provided street lighting in the corporate limits of the Town existing on the date of the franchise at no charge. Any additional street lighting needed after the franchise date will be furnished under the applicable rate.

**NOTE 8 - PENSION PLAN AND RETIREMENT COMMITMENTS**

All Town employees belong to the Social Security System.

**NOTE 9 - CONTINGENT LIABILITIES**

There is no pending litigation against the Town.

**NOTE 10 - COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to the outgoing mayor and board members is as follows:

Justin K. Cox, Mayor	\$	2,200
Robin Cashio		550
Michel Meche		550
Irma Smith		550
Pat Smith		550
Don Sonnier		550
		550
	<u>\$</u>	<u>4,950</u>

TOWN OF FORDOCHE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1999

**NOTE 11 - FEDERAL FINANCIAL ASSISTANCE**

The Town received \$27,505 in Louisiana Community Development Block Grant funds for improvements to its water system. At December 31, 1999, \$24,523 was expended and reported as construction in progress.

**SUPPLEMENTAL INFORMATION**

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SCHEDULE 1  
TOWN OF FORDOCHE, LOUISIANA  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 1999

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		Actual
<b>Taxes:</b>				
General property	\$ 19,500	\$ 22,247	\$ 2,747	\$ 20,488
Sales	26,000	28,918	2,918	28,058
Electric franchise	13,000	13,533	533	14,194
Cable TV franchise	850	1,887	1,037	2,479
Telephone franchise	1,300	1,350	50	1,353
<b>Total Taxes</b>	<b>\$ 60,650</b>	<b>\$ 67,935</b>	<b>\$ 7,285</b>	<b>\$ 66,572</b>
<b>Licenses and Permits:</b>				
Occupational licenses	\$ 9,000	\$ 11,510	\$ 2,510	\$ 9,054
Liquor and beer licenses	330	330		
Building permits	5	90	85	70
<b>Total Licenses and Permits</b>	<b>\$ 9,335</b>	<b>\$ 11,930</b>	<b>\$ 2,595</b>	<b>\$ 9,124</b>
<b>Intergovernmental Revenues:</b>				
La - Grant				\$ 25,000
La - Tobacco taxes	\$ 4,700	\$ 4,699	\$ (1)	4,694
La - Beer taxes	1,000	895	(105)	997
La - Video poker	500	455	(45)	1,973
La - Law Enforcement	2,543	1,374	(1,169)	4,909
<b>Total Intergovernmental Revenues</b>	<b>\$ 8,743</b>	<b>\$ 7,423</b>	<b>\$ (1,320)</b>	<b>\$ 37,573</b>
<b>Fines and Forfeitures:</b>				
Traffic violations and fines	\$ 3,200	\$ 7,141	\$ 3,941	\$ 2,994
DWI fines	150		(150)	
<b>Total Fines and Forfeitures</b>	<b>\$ 3,350</b>	<b>\$ 7,141</b>	<b>\$ 3,791</b>	<b>\$ 2,994</b>
<b>Miscellaneous Revenues:</b>				
Grass cutting contracts	\$ 4,000	\$ 5,580	\$ 1,580	\$ 3,500
Interest earned	2,000	2,619	619	2,151
Drainage	300	345	45	1,255
Other	260	83	(177)	809
<b>Total Miscellaneous Revenues</b>	<b>\$ 6,560</b>	<b>\$ 8,627</b>	<b>\$ 2,067</b>	<b>\$ 7,715</b>

SCHEDULE 2  
TOWN OF FORDOCHE, LOUISIANA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 1999

	1999			1998
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
General Government:				
Mayor salary	\$ 2,400	\$ 2,200	\$ 200	\$ 3,900
Councilmembers salaries	3,000	2,750	250	3,900
Office salaries	4,500	5,979	(1,479)	3,900
Benefits	978	646	332	323
Attorney fees	3,000	2,750	250	2,750
Assessor fee	480	511	(31)	489
Audit fees	1,100	1,100		1,000
Accounting services	800	660	140	500
Collection fees	40		40	
Travel and conventions	4,320	3,945	375	3,137
Election expense	200	11	189	28
Utilities	1,970	1,933	37	1,662
Maintenance of building	2,200	1,116	1,084	1,500
Maintenance of office equipment	1,850	1,378	472	1,326
Insurance	2,900	2,135	765	2,898
Telephone	3,000	3,333	(333)	2,851
Publishing and recording	2,700	1,152	1,548	1,199
Expense account - Mayor	650	328	322	600
Dues and subscriptions	550	739	(189)	1,045
Office supplies and stationery	2,875	2,527	348	1,538
Postage	500	271	229	326
Tourism and promotion	500	560	(60)	504
Beautification program	1,000	398	602	982
Miscellaneous expenses	1,350	1,551	(201)	1,141
<b>Total General Government</b>	<u>\$ 42,863</u>	<u>\$ 37,973</u>	<u>\$ 4,890</u>	<u>\$ 37,499</u>
Police Department:				
Salaries and wages	\$ 12,700	\$ 10,910	\$ 1,790	\$ 10,264
Benefits	1,001	882	119	1,504
Police training		20	(20)	
Psychological tests	250		250	250
School crossing guard	600		600	567
Radio and radar repairs	300	521	(221)	107
Insurance	2,800	3,282	(482)	4,252
Telephone	1,375	791	584	
Vehicle - gas and oil	950	491	459	738
Vehicle - repairs and maintenance	500	532	(32)	225
Uniform supplies and expenses	600	588	12	220
Miscellaneous	450	152	298	330
<b>Total Public Safety - Police</b>	<u>\$ 21,526</u>	<u>\$ 18,169</u>	<u>\$ 3,357</u>	<u>\$ 18,457</u>

	1999			1998
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Streets and Drainage:</b>				
Street foreman salary	\$ 5,000	\$ 2,461	\$ 2,539	\$ 3,372
Maintenance salaries	9,000	7,509	1,491	7,072
Employee benefits	392	763	(371)	1,274
Contract labor	350	124	226	
Sidewalk				25,000
Dirt and sand	100		100	
Culverts and drainage	1,500	412	1,088	1,743
Maintenance of equipment	500	1,950	(1,450)	
Insurance	1,900	3,245	(1,345)	2,005
Vehicle - gas and oil	250	508	(258)	355
Vehicle - repairs and maintenance	800	419	381	916
Supplies and small tools	5,055	1,128	3,927	8,117
<b>Total Streets and Drainage</b>	<b>\$ 24,847</b>	<b>\$ 18,519</b>	<b>\$ 6,328</b>	<b>\$ 49,854</b>
<b>Capital Outlays:</b>				
General government	\$ 250		\$ 250	
Police department	1,500	\$ 5,637	(4,137)	\$ 747
Streets and drainage	10,500	4,606	5,894	
<b>Total Capital Outlays</b>	<b>\$ 12,250</b>	<b>\$ 10,243</b>	<b>\$ 2,007</b>	<b>\$ 747</b>

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**OTHER REPORTS REQUIRED BY**  
***GOVERNMENT AUDITING STANDARDS***

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

# George F. Delaune

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OFFICERS ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Mayor and Board of Aldermen  
Town of Fordoche, Louisiana

I have audited the financial statements of the TOWN OF FORDOCHE, LOUISIANA (the "Town"), as of and for the year ended December 31, 1999, and have issued my report thereon dated February 17, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Town of Fordoche, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Town of Fordoche, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material

in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operations that I consider to be material weaknesses.

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

*George F. Delaune, CPA*

February 17, 2000

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**TOWN OF FORDOCHE, LOUISIANA  
SCHEDULE OF FINDINGS  
YEAR ENDED DECEMBER 31, 1999**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Town of Fordoche, Louisiana.
2. No reportable conditions were disclosed during the audit of the general purpose financial statements.
3. No compliance violations were disclosed during the audit of the general purpose financial statements.
4. The Town of Fordoche, Louisiana received \$27,505 in Louisiana Community Development Block Grant funds during 1999.

**B. FINDINGS — FINANCIAL STATEMENTS AUDIT**

None