

TOWN OF FORDOCHE, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003

TOWN OF FORDOCHE
POINTE COUPEE PARISH, LOUISIANA
P. O. BOX 10
FORDOCHE, LA 70732
(225) 637-3112

MAYOR
Justin K. Cox

COUNCIL
(as at December 31, 2003)

Jason Giordano
Corey Gueho
Randy St. Romain
Pat Smith
Stan Thibodeaux

LEGAL COUNSEL
Stephen H. Marionneaux

TOWN CLERK
Leslie Thibodeaux

CHIEF OF POLICE
Fred Gueho

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, 2003

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George F. Delaune

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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, 2003, 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 general purpose 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, 2003, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 15, 2004, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements 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

January 15, 2004

TOWN OF FORDOCHE, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 2003

	Governmental	Proprietary	Account Groups		Totals
	Fund Type	Fund Type	General	General	(Memorandum
	General	Enterprise	Long-Term Debt	Fixed Assets	Only)
ASSETS					
Cash and investments	\$ 45,838	\$ 46,275			\$ 92,113
Receivables -					0
Taxes - ad valorem	29,486				29,486
Taxes - franchise	4,376				4,376
Utility billings		2,239			2,239
Due from other governmental units -					0
Louisiana - beer taxes	185				185
Louisiana - public safety	1,750				1,750
Due from Water System	13,949				13,949
Prepaid expenses		95			95
Property, plant and equipment -					0
At cost		818,523		\$ 413,202	1,231,725
Accumulated depreciation		(368,037)			(368,037)
Amount to be provided for retirement of capital lease obligations			\$ 8,576		8,576
TOTAL ASSETS	\$ 95,584	\$ 499,095	\$ 8,576	\$ 413,202	\$ 1,016,457

	Governmental	Proprietary	Account Groups		Totals (Memorandum Only)
	Fund Type	Fund Type	General	General	
	General	Enterprise	Long-Term Debt	Fixed Assets	
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 1,066	\$ 80			\$ 1,146
Accrued payroll liabilities	912	118			1,030
Due to General Fund		13,949			13,949
Capital lease obligations		22,848	\$ 8,576		31,424
Total Liabilities	<u>1,978</u>	<u>36,995</u>	<u>8,576</u>		<u>47,549</u>
Fund Equity:					
Contributed capital, net of amortization		398,667			398,667
Investment in general fixed assets				\$ 413,202	413,202
Retained earnings - Unreserved		63,433			63,433
Fund balances - Unreserved - undesignated	93,606				93,606
Total Fund Equity	<u>93,606</u>	<u>462,100</u>		<u>413,202</u>	<u>968,908</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 95,584</u></u>	<u><u>\$ 499,095</u></u>	<u><u>\$ 8,576</u></u>	<u><u>\$ 413,202</u></u>	<u><u>\$ 1,016,457</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	2003		Variance Favorable (unfavorable)	2002
	Budget	Actual		Actual
Revenues				
Taxes	\$ 68,500	\$ 67,836	\$ (664)	\$ 84,224
Licenses and permits	13,300	14,689	1,389	12,841
Intergovernmental revenue	12,973	13,222	249	87,544
Fines and forfeitures	10,300	10,814	514	12,138
Miscellaneous revenues	26,550	24,685	(1,865)	26,688
Total Revenues	<u>131,623</u>	<u>131,246</u>	<u>(377)</u>	<u>223,435</u>
Expenditures				
Current -				
General government	61,970	60,282	1,688	66,041
Public safety	22,250	16,872	5,378	19,187
Streets and drainage	20,300	16,749	3,551	18,003
Community center	5,800	4,419	1,381	7,542
Capital outlays -				
General government	1,200	1,326	(126)	3,761
Public safety	3,600	4,650	(1,050)	3,425
Community center	32,100	32,097	3	160,393
Total Expenditures	<u>147,220</u>	<u>136,395</u>	<u>10,825</u>	<u>278,352</u>
Excess Revenues (Expenditures)	(15,597)	(5,149)	10,448	(54,917)
Other Financing Sources (Uses)				
Proceeds from capital lease financing				
Payments on capital lease financing	(7,300)	(6,016)	1,284	(6,016)
Excess Revenues and Other Sources (Expenditures and Other Uses)	(22,897)	(11,165)	11,732	(60,933)
Fund Balance - January 1	104,771	104,771	0	165,704
FUND BALANCE - DECEMBER 31	<u>\$ 81,874</u>	<u>\$ 93,606</u>	<u>\$ 11,732</u>	<u>\$ 104,771</u>

The accompanying notes are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL (GAAP BASIS) - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	Enterprise			
	2003		2002	
	Budget	Actual	Variance Favorable (unfavorable)	Actual
Operating Revenues				
Charges for services -				
Water sales	\$ 61,000	\$ 61,240	\$ 240	\$ 49,308
Miscellaneous revenues	3,600	4,988	1,388	7,025
Total Operating Revenues	<u>64,600</u>	<u>66,228</u>	<u>1,628</u>	<u>56,333</u>
Operating Expenses				
Water expenses	29,360	60,522	(31,162)	60,661
General and administrative	45,400	21,896	23,504	19,178
Total Operating Expenses	<u>74,760</u>	<u>82,418</u>	<u>(7,658)</u>	<u>79,839</u>
Operating Income (Loss)	<u>(10,160)</u>	<u>(16,190)</u>	<u>(6,030)</u>	<u>(23,506)</u>
Non-Operating Revenues (Expenses)				
Interest earned	1,600	530	(1,070)	1,087
Rural Development Grant	15,000	15,000	0	0
Interest expense	(13,270)	(1,734)	(11,536)	(3,169)
Total Non-Operating Revenues (Expenses)	<u>3,330</u>	<u>13,796</u>	<u>10,466</u>	<u>(2,082)</u>
Net Income (Loss)	<u>(6,830)</u>	<u>(2,394)</u>	<u>(18,636)</u>	<u>(25,588)</u>
Less grant used for capital acquisitions	0	(15,000)		
Add depreciation on fixed assets acquired by grants for capital acquisitions and construction that reduces contributed capital	<u>0</u>	<u>19,416</u>	<u>19,416</u>	<u>17,916</u>
Increase (Decrease) in Retained Earnings	<u>(6,830)</u>	<u>2,022</u>	<u>8,852</u>	<u>(7,672)</u>
Retained Earnings - January 1	<u>61,411</u>	<u>61,411</u>	<u>0</u>	<u>69,083</u>
RETAINED EARNINGS - DECEMBER 31	<u>\$ 54,581</u>	<u>\$ 63,433</u>	<u>\$ 9,632</u>	<u>\$ 61,411</u>

The accompanying notes are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	Enterprise	
	2003	2002
Cash Flows from Operating Activities		
Operating income (loss)	\$ (16,190)	\$ (23,506)
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	32,866	28,545
Changes in assets and liabilities -		
Decrease (increase) in receivables	(1,071)	1,041
Decrease (increase) in prepaid insurance	1,186	0
Increase (decrease) in accounts payable and accruals	(2,630)	1,240
Increase (decrease) in due to General Fund	0	1,208
Increase (decrease) in deferred revenues	0	(1,090)
Net Cash Provided by (Used for) Operating Activities	<u>14,161</u>	<u>7,438</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Rural Development grant	15,000	
Acquisition of fixed assets	(21,349)	(1,200)
Payments on capital lease financing and interest	(12,658)	(13,866)
Net Cash (Used for) Capital and Related Financing Activities	<u>(19,007)</u>	<u>(15,066)</u>
Cash Flows from Investing Activities		
Interest on investments	530	1,087
Net Cash Provided by Investing Activities	<u>530</u>	<u>1,087</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,316)	(6,541)
Cash and Cash Equivalents - January 1	50,591	57,132
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u>\$ 46,275</u>	<u>\$ 50,591</u>

The accompanying notes are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

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.

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

TOWN OF FORDOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

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:

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.

TOWN OF FORDOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

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 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.

TOWN OF FORDOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

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.

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 and cash equivalents includes amounts in demand deposits, interest-bearing demand deposits, and pooled cash in the Louisiana Asset Management Pool, Inc.. 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. State statutes also authorizes local governments in Louisiana to invest in the Louisiana Asset Management Pool Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost.

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. Public domain ("infrastructure")

TOWN OF FORDOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

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.

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.

TOWN OF FORDOCHE, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2003

Interfund Transactions

All interfund transfers are reported as operating transfers.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Risk Management

The Town is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town attempts to minimize risk from significant losses through the purchase of commercial insurance.

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, 2003, the status of deposited funds and collateralized balances are as follows:

Balance per bank statements	\$	23,425
Secured by Federal Deposit insurance		23,425
Secured by Pledge of securities		0
		0
Unsecured and Uncollateralized	\$	0

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.

Cash also includes \$69,800 in the Louisiana Asset Management Pool Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.165, the cash in LAMP at December 31, 2003, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore

TOWN OF FORDOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representative from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

NOTE 4 - CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	01-01-2003	Additions	Deletions	12-31-2003
Land	\$ 51,500			\$ 51,500
Buildings and improvements	222,808	\$ 32,097		254,905
Tractor and equipment	39,271			39,271
Equipment	22,888	4,650		27,538
Office equipment	10,600	1,326		11,926
Vehicles	28,062			28,062
Totals	<u>\$ 375,129</u>	<u>\$ 38,073</u>	<u>\$ 0</u>	<u>\$ 413,202</u>

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

	01-01-2003	Additions	Deletions	12-31-2003
Water system	\$ 737,178			\$ 737,178
Equipment	34,774	\$ 21,349		56,123
Office equipment	1,378			1,378
Vehicles	23,844			23,844
	797,174	<u>\$ 21,349</u>	<u>\$ 0</u>	818,523
Accumulated depreciation	(335,171)	<u>\$ (32,866)</u>		<u>(368,037)</u>
	<u>\$ 462,003</u>			<u>\$ 450,486</u>

From 1987 through 2000 the Town received federal and state capital grant funds for the purpose of expanding and enhancing the existing water system. Grant funds received and expended on these projects amounted to \$642,071, which were capitalized. These capital grants and capital contributions are reported under fund equity and are amortized over the estimated useful life of the improvements. For the year ended December 31, 2003, \$19,416 was amortized and adjusted against the increase in retained earnings.

TOWN OF FORDOCHE, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2003

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.

The following is a summary of the tax assessment rolls since 1990:

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
2000	12.44	1,885,429		23,454.64		23,454.64
2001	12.44	2,022,382		25,158.34		23,158.34
2002	12.44	2,100,805		26,133.90		26,133.90
2003	13.25	2,225,310		29,486.57		29,486.57

TOWN OF FORDOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

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.

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 one pending litigation against the Town and according to counsel is in the discovery phase.

TOWN OF FORDOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

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	\$ 2,400
Michel Meche	600
Irma Smith	600
Pat Smith	600
Don Sonnier	600
Stan Thibodeaux	600
	<hr/>
	\$ 5,400

NOTE 11 - FEDERAL FINANCIAL ASSISTANCE

The Town received no federal funding for the fiscal year ended December 31, 2003.

SUPPLEMENTAL INFORMATION

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TOWN OF FORDOCHE, LOUISIANA
SCHEDULE OF REVENUES
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	2003			2002
	Budget	Actual	Variance Favorable (unfavorable)	Actual
Taxes				
General property	\$ 25,000	\$ 22,338	\$ (2,662)	\$ 23,547
Sales	25,000	26,611	1,611	39,586
Electric franchise	14,500	14,429	(71)	15,842
Cable TV franchise	2,500	3,038	538	3,756
Telephone franchise	1,500	1,420	(80)	1,493
Total Taxes	\$ 68,500	\$ 67,836	\$ (664)	\$ 84,224
Licenses and Permits				
Occupational licenses	\$ 13,000	\$ 13,519	\$ 519	\$ 12,666
Liquor and beer permits	200	1,110	910	75
Building permits	100	60	(40)	100
Total Licenses and Permits	\$ 13,300	\$ 14,689	\$ 1,389	\$ 12,841
Intergovernmental Revenues				
Grants	\$ 8,173	\$ 8,173	\$ 0	\$ 70,000
LA - Video poker	3,000	691	(2,309)	13,614
LA - Beer taxes	300	290	(10)	1,359
LA - Department of Justice	0	0	0	1,600
LA - Law Enforcement	1,500	4,068	2,568	971
Total Expenditures	\$ 12,973	\$ 13,222	\$ 249	\$ 87,544
Fines and Forfeitures				
Traffic fines	\$ 10,300	\$ 10,814	\$ 514	\$ 12,138
Miscellaneous Revenues				
Interest earned	\$ 1,625	\$ 711	\$ (914)	\$ 1,480
Grass cutting contracts	0	0	0	3,500
Community Center lease	4,000	2,910	(1,090)	1,840
Fair and festival	16,400	16,874	474	16,265
Other	500	406	(94)	3,603
Total Miscellaneous Revenues	\$ 22,525	\$ 20,901	\$ (1,624)	\$ 26,688

TOWN OF FORDOCHE, LOUISIANA
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	2003			2002
	Budget	Actual	Variance Favorable (unfavorable)	Actual
General Government				
Mayor's per diem	\$ 2,400	\$ 2,600	\$ (200)	\$ 2,400
Council members per diem	3,000	3,000	0	3,000
Salary - clerk	4,500	6,475	(1,975)	9,985
Benefits	3,750	3,086	664	1,487
Attorney fee	3,000	3,091	(91)	2,750
Assessor fee	500	541	(41)	533
Audit fee	1,200	1,100	100	1,100
Accounting services	800	187	613	1,627
Conventions, conferences, seminars	3,000	4,660	(1,660)	3,046
Election expense	400	242	158	2,058
Utilities	2,620	2,115	505	2,094
Insurance	9,400	4,192	5,208	5,503
Telephone	4,500	4,542	(42)	4,665
Publishing and recording	1,900	2,284	(384)	2,308
Tourism and promotion	8,000	8,195	(195)	8,135
Beautification program	1,000	1,167	(167)	4,214
Maintenance of building	3,100	2,296	804	1,831
Maintenance of office equipment	1,300	3,590	(2,290)	1,384
Office expense and postage	1,900	1,474	426	1,650
Health and welfare	100	600	(500)	600
Miscellaneous expenses	5,600	4,843	757	5,671
Total General Government	\$ 61,970	\$ 60,280	\$ 1,690	\$ 66,041
Public Safety - Police				
Salary - chief of police	\$ 9,700	\$ 10,600	\$ (900)	\$ 9,600
Salary - police officers	3,000	1,728	1,272	914
Benefits	300	0	300	1,006
Uniforms and allowances	400	136	264	565
Insurance	2,600	645	1,955	3,642
Telephone and paging system	2,000	1,925	75	1,788
Dues and subscriptions	250	200	50	220
Ticket fees	200	180	20	221
Maintenance of vehicles	1,500	732	768	755
Police supplies	500	215	285	113
Maintenance of radios	1,300	60	1,240	60
Miscellaneous expenses	500	451	49	303
Total Public Safety - Police	\$ 22,250	\$ 16,872	\$ 5,378	\$ 19,187

TOWN OF FORDOCHE, LOUISIANA
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	2003			2002
	Budget	Actual	Variance Favorable (unfavorable)	Actual
Streets and Drainage				
Salaries	\$ 10,600	\$ 11,689	\$ (1,089)	\$ 10,999
Benefits	0	0	0	841
Uniforms and linen service	200	0	200	
Insurance	1,700	0	1,700	3,900
Contract labor	200	30	170	68
Maintenance materials	1,000	1,359	(359)	
Street signs and speed bumps	1,100	600	500	885
Maintenance of vehicles	800	565	235	
Maintenance of equipment	1,000	251	749	376
Small tools and supplies	1,000	141	859	349
Chemicals - weed control	1,000	1,065	(65)	
Miscellaneous expenses	1,700	1,050	650	585
Total Street and Drainage	<u>\$ 20,300</u>	<u>\$ 16,750</u>	<u>\$ 3,550</u>	<u>\$ 18,003</u>
Community Center				
Insurance	\$ 1,000	\$ 0	\$ 1,000	\$ 1,269
Electricity	1,800	1,991	(191)	1,584
Supplies	700	631	69	1,648
Maintenance	500	447	53	1,487
Janitorial	1,800	1,350	450	1,554
Total Community Center	<u>\$ 5,800</u>	<u>\$ 4,419</u>	<u>\$ 1,381</u>	<u>\$ 7,542</u>
Capital Outlays				
General government	\$ 1,200	\$ 1,326	\$ (126)	\$ 3,761
Public safety - police	3,600	4,650	(1,050)	3,425
Community center	32,100	32,097	3	160,393
Total Capital Outlays	<u>\$ 36,900</u>	<u>\$ 38,073</u>	<u>\$ (1,173)</u>	<u>\$ 167,579</u>

TOWN OF FORDOCHE, LOUISIANA
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL (GAAP BASIS)
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003
(With Comparative Totals for Year Ended December 31, 2002)

	2003			2002
	Budget	Actual	Variance Favorable (unfavorable)	Actual
Water Expenses				
Salary - maintenance	\$ 10,600	\$ 11,401	\$ (801)	\$ 14,154
Benefits	2,800	2,014	786	1,114
Professional fees	1,960	1,974	(14)	2,193
Current used in pumping	5,500	5,169	331	4,922
Maintenance of vehicles	500	22	478	1,779
Maintenance of trencher	500	0	500	360
Maintenance of pumping equipment	1,000	1,292	(292)	2,746
Maintenance of lines	2,000	3,592	(1,592)	2,784
Maintenance of chlorinator	500	0	500	
Chlorine	600	442	158	546
Supplies and small tools	700	474	226	429
Maintenance of vehicles	1,000	1,276	(276)	1,089
Insurance	1,700	0	1,700	0
Depreciation		32,866	(32,866)	28,545
Total Water Expenses	<u>\$ 29,360</u>	<u>\$ 60,522</u>	<u>\$ (31,162)</u>	<u>\$ 60,661</u>
General and Administrative				
Salary - clerk	\$ 17,000	\$ 14,930	\$ 2,070	\$ 9,677
Benefits	1,100	943	157	1,689
Audit fees	1,100	1,100	0	1,100
Accounting services	800	187	613	
Insurance	700	1,831	(1,131)	3,546
Dues and subscriptions	200	200	0	118
Maintenance of computer	0	495	(495)	894
Office supplies	1,000	770	230	716
Bills and postage	800	869	(69)	854
Miscellaneous	700	571	129	584
Depreciation			0	
Total General and Administrative	<u>\$ 23,400</u>	<u>\$ 21,896</u>	<u>\$ 1,504</u>	<u>\$ 19,178</u>

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

CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

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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 general purpose financial statements of the TOWN OF FORDOCHE, LOUISIANA (the "Town"), as of and for the year ended December 31, 2003, and have issued my report thereon dated January 15, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Town of Fordoche, Louisiana's general purpose 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 general purpose 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 general purpose 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

January 15, 2004

TOWN OF FORDOCHE, LOUISIANA
SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 2003

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 no federal funds during the year 2003.

B. FINDINGS — FINANCIAL STATEMENTS AUDIT

None