

2426

RECEIVED
LEGISLATIVE AUDITOR
04 NOV -3 AM 11

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2004

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

Release Date 11-17-04

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1-2
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net assets	5
Statement of activities	6
 FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental funds	8
Reconciliation of the governmental funds balance sheet to the statement of net assets	9
Statement of revenues, expenditures, and changes in fund balances- governmental funds	10
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	11
Statement of net assets - proprietary fund	12
Statement of revenues, expenses, and changes in fund net assets - proprietary fund	13
Statement of cash flows - proprietary fund	14-15
 Notes to basic financial statements	 16-35
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	37
Sales Tax Special Revenue Fund	38
 OTHER SUPPLEMENTARY INFORMATION	
 OTHER FINANCIAL INFORMATION	
Major Governmental Funds -	
General Fund - budgetary comparison schedule - revenues	41
General Fund - budgetary comparison schedule- expenditures	42-43
Sales Tax Fund - budgetary comparison schedule	44
Schedule of number of utility customers (unaudited)	45
Schedule of insurance in force (unaudited)	46-47
 COMPLIANCE AND INTERNAL CONTROL	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	49-50
Summary schedule of current and prior year audit findings and corrective action plan	51

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

WEB SITE:
WWW.KCSRCPAS.COM

Robert S. Carter, CPA
Allen J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachel, CPA
Cheryl L. Bartley, CPA, CVA

MEMBER OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

* A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

The Honorable Terryl St. Romain, Mayor,
and Members of the Board of Aldermen
Village of Plaquemine, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Plaquemine, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the basic financial statements of the Village 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 basic 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 for the Village of Plaquemine, Louisiana, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, 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 basic financial statements, the Village adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, Statement No. 37, Basic Financial Statements - And Management's Discussion and Analysis - For State and Local Governments: Omnibus, Statement No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. This results in a change in the format and content of the basic financial statements.

183 South Beadle
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddell
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

In accordance with Government Auditing Standards, we have also issued a report dated August 19, 2004, on our consideration of the Village of Plaquemine'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 required supplementary information on pages 37 through 38 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Plaquemine, Louisiana's basic financial statements. The other supplementary information on pages 41 through 51 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, 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.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
August 19, 2004

BASIC FINANCIAL STATEMENTS

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Net Assets
June 30, 2004

	2004		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 147,026	\$ 272,903	\$ 419,929
Receivables, net	6,900	51,196	58,096
Due from other governmental units	17,253	-	17,253
Total current assets	<u>171,179</u>	<u>324,099</u>	<u>495,278</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	84,672	84,672
Capital assets, net	345,135	1,911,734	2,256,869
Bond issue costs, net	-	5,544	5,544
Total noncurrent assets	<u>345,135</u>	<u>2,001,950</u>	<u>2,347,085</u>
Total assets	<u>516,314</u>	<u>2,326,049</u>	<u>2,842,363</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	18,054	17,662	35,716
Bonds and certificates payable	-	11,000	11,000
Accrued interest	-	1,724	1,724
Total current liabilities	<u>18,054</u>	<u>30,386</u>	<u>48,440</u>
Noncurrent liabilities:			
Customers deposits payable	-	40,556	40,556
Bonds payable	-	414,000	414,000
Total noncurrent liabilities	<u>-</u>	<u>454,556</u>	<u>454,556</u>
Total liabilities	<u>18,054</u>	<u>484,942</u>	<u>502,996</u>
NET ASSETS			
Invested in capital assets, net of related debt	345,135	1,497,734	1,842,869
Restricted for debt service	-	31,392	31,392
Unrestricted	153,125	311,981	465,106
Total net assets	<u>\$ 498,260</u>	<u>\$ 1,841,107</u>	<u>\$ 2,339,367</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Activities

For the Year Ended June 30, 2004

Activities	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	\$ 102,373	\$ 22,838	\$ -	\$ 66,000	\$ (13,535)	\$ -	\$ (13,535)
Public safety:							
Police	43,417	4,470	-	-	(38,947)	-	(38,947)
Fire	3,460	-	-	-	(3,460)	-	(3,460)
Culture and recreation	7,473	-	-	35,000	27,527	-	27,527
Total governmental activities	<u>156,723</u>	<u>27,308</u>	<u>-</u>	<u>101,000</u>	<u>(28,415)</u>	<u>-</u>	<u>(28,415)</u>
Business-type activities:							
Water	267,502	266,596	-	56,896	-	55,990	55,990
Total business-type activities	<u>267,502</u>	<u>266,596</u>	<u>-</u>	<u>56,896</u>	<u>-</u>	<u>55,990</u>	<u>55,990</u>
Total	<u>\$ 424,225</u>	<u>\$ 293,904</u>	<u>\$ -</u>	<u>\$ 157,896</u>	<u>\$ (28,415)</u>	<u>\$ 55,990</u>	<u>\$ 27,575</u>
General revenues:							
Taxes -							
Ad valorem taxes, levied for general purposes					4,503	-	4,503
Sales and use taxes, levied for general purposes					32,850	-	32,850
Franchise taxes					14,314	-	14,314
Grants and contributions not restricted to specific programs -							
State sources					5,420	-	5,420
Gaming revenues					26,269	-	26,269
Interest and investment earnings					2,259	6,440	8,699
Hall rentals					5,008	-	5,008
Miscellaneous					25,994	-	25,994
Transfers					15,258	(15,258)	-
Total general revenues and transfers					<u>131,875</u>	<u>(8,818)</u>	<u>123,057</u>
Change in net assets					103,460	47,172	150,632
Net assets - July 1, 2003					394,800	1,793,935	2,188,735
Net assets - June 30, 2004					<u>\$ 498,260</u>	<u>\$ 1,841,107</u>	<u>\$ 2,339,367</u>

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

FUND FINANCIAL STATEMENTS (FFS)

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2004

	<u>General</u>	<u>Sales Tax Special Revenue</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and interest-bearing deposits	\$ 60,523	\$ 86,503	\$ 147,026
Receivables:			
Taxes	-	3,654	3,654
Accrued interest	-	459	459
Due from other governmental units	17,253	-	17,253
Other	<u>2,787</u>	<u>-</u>	<u>2,787</u>
Total assets	<u>\$ 80,563</u>	<u>\$ 90,616</u>	<u>\$ 171,179</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and other payables	\$ 7,644	\$ 42	\$ 7,686
Contracts payable	<u>10,368</u>	<u>-</u>	<u>10,368</u>
Total liabilities	<u>18,012</u>	<u>42</u>	<u>18,054</u>
Fund balances -			
Unreserved, undesignated	<u>62,551</u>	<u>90,574</u>	<u>153,125</u>
Total fund balances	<u>62,551</u>	<u>90,574</u>	<u>153,125</u>
Total liabilities and fund balances	<u>\$ 80,563</u>	<u>\$ 90,616</u>	<u>\$ 171,179</u>

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

VILLAGE OF PLAUCHEVILLE, 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		\$153,125
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 6,800	
Buildings and improvements, net of \$119,866 accumulated depreciation	60,159	
Infrastructure, net of \$31,452 accumulated depreciation	235,604	
Equipment, furniture, and fixtures net of \$45,065 accumulated depreciation	28,685	
Vehicles, net of \$5,951 of accumulated depreciation	<u>13,887</u>	<u>345,135</u>
Total net assets of governmental activities at June 30, 2004		<u>\$498,260</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds

For the Year Ended June 30, 2004

	<u>General</u>	<u>Sales Tax Special Revenue</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 18,817	\$ 32,850	\$ 51,667
Licenses and permits	22,838	-	22,838
Intergovernmental	132,689	-	132,689
Fines and forfeits	4,470	-	4,470
Miscellaneous	<u>31,609</u>	<u>1,652</u>	<u>33,261</u>
Total revenues	<u>210,423</u>	<u>34,502</u>	<u>244,925</u>
Expenditures:			
Current -			
General government:			
Administrative	90,417	1,031	91,448
Public safety:			
Police	38,626	-	38,626
Fire	3,157	-	3,157
Culture and recreation	4,486	-	4,486
Capital outlay	<u>108,131</u>	<u>-</u>	<u>108,131</u>
Total expenditures	<u>244,817</u>	<u>1,031</u>	<u>245,848</u>
Excess (deficiency) of revenues over expenditures	<u>(34,394)</u>	<u>33,471</u>	<u>(923)</u>
Other financing sources (uses):			
Transfers in	61,335	-	61,335
Transfers out	<u>-</u>	<u>(46,077)</u>	<u>(46,077)</u>
Total other financing sources (uses)	<u>61,335</u>	<u>(46,077)</u>	<u>15,258</u>
Net changes in fund balances	26,941	(12,606)	14,335
Fund balances beginning	<u>35,610</u>	<u>103,180</u>	<u>138,790</u>
Fund balances, ending	<u>\$ 62,551</u>	<u>\$ 90,574</u>	<u>\$ 153,125</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

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

Total net changes in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 14,335
The change in net assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	\$108,131
Depreciation expense on capital assets is reported in the government- wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	<u>(19,006)</u> <u>89,125</u>
Total changes in net assets at June 30, 2004 per Statement of Activities	<u>\$103,460</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Proprietary Fund
Statement of Net Assets
June 30, 2004

Business-Type Activities -
Enterprise Fund

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 272,903
Receivables:	
Accounts	28,164
Unbilled utility receivables	21,700
Accrued interest receivable	<u>1,332</u>
Total current assets	<u>324,099</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	84,672
Capital assets, net of accumulated depreciation	1,911,734
Bond issue costs, net	<u>5,544</u>
Total noncurrent assets	<u>2,001,950</u>
Total assets	<u>2,326,049</u>

LIABILITIES

Current liabilities:	
Accounts and other payables	17,662
Payable from restricted assets -	
Revenue bonds	11,000
Accrued interest payable	<u>1,724</u>
Total current liabilities	<u>30,386</u>
Noncurrent liabilities:	
Customers' deposits	40,556
Revenue bonds payable	<u>414,000</u>
Total noncurrent liabilities	<u>454,556</u>
Total liabilities	<u>484,942</u>

NET ASSETS

Invested in capital assets, net of related debt	1,497,734
Restricted for debt service	31,392
Unrestricted	<u>311,981</u>
Total net assets	<u>\$1,841,107</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Proprietary Fund
 Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Year Ended June 30, 2004

	<u>Business-Type Activities- Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Water services	\$ 256,115
Connection fees	9,517
Miscellaneous	<u>964</u>
Total operating revenues	<u>266,596</u>
Operating expenses:	
Salaries	75,042
Payroll taxes	5,891
Maintenance and supplies	43,261
Utilities	16,362
Office supplies	5,113
Insurance	7,594
Professional fees	6,500
Miscellaneous	6,866
Amortization expense	32
Depreciation expense	<u>73,498</u>
Total operating expenses	<u>240,159</u>
Operating income	<u>26,437</u>
Nonoperating revenues (expenses):	
Interest income	6,440
Interest expense	<u>(27,343)</u>
Total nonoperating revenues (expenses)	<u>(20,903)</u>
Income before contributions and transfers	5,534
Capital contributions	56,896
Transfers out	<u>(15,258)</u>
Change in net assets	47,172
Net assets, beginning	<u>1,793,935</u>
Net assets, ending	<u>\$ 1,841,107</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2004

	<u>Business-Type Activities - Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 230,539
Payments to suppliers for goods and services	(130,743)
Payments to employees for services	(75,042)
Other receipts	<u>10,481</u>
Net cash provided by operating activities	<u>35,235</u>
Cash flows from non capital financing activities:	
Transfers to other funds	<u>(15,258)</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds payable	(496,497)
Proceeds from the issuance of revenue bonds	425,000
Payment of bond issue costs	(5,576)
Interest and fiscal charges paid on revenue bonds	(28,559)
Net increase in customer meter deposits	2,265
Proceeds from federal grant	105,122
Acquisition of property, plant and equipment	<u>(73,492)</u>
Net cash used by capital and related financing activities	<u>(71,737)</u>
Cash flows from investing activities:	
Net increase in interest-bearing deposits	(4,067)
Interest earned	<u>6,845</u>
Net cash provided by investing activities	<u>2,778</u>
Net decrease in cash and cash equivalents	(48,982)
Cash and cash equivalents, beginning of period	<u>189,383</u>
Cash and cash equivalents, end of period	<u>\$ 140,401</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund (continued)
 For the Year Ended June 30, 2004

	<u>Business-type Activities - Enterprise Fund</u> <u>2004</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 26,437
Adjustments to reconcile operating income to net cash provided by operating activities:	
Amortization	32
Depreciation	73,498
Changes in current assets and liabilities:	
Increase in accounts receivable	(3,876)
Increase in unbilled utility receivables	(21,700)
Decrease in accounts payable	<u>(39,156)</u>
Net cash provided by operating activities	<u>\$ 35,235</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash and interest-bearing deposits - unrestricted	\$ 247,794
Cash and interest-bearing deposits - restricted	154,696
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(213,107)</u>
Total cash and cash equivalents	<u>189,383</u>
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits - unrestricted	272,903
Cash and interest-bearing deposits - restricted	84,672
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(217,174)</u>
Total cash and cash equivalents	<u>140,401</u>
Net decrease	<u>\$ (48,982)</u>

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Village of Plaquemine (Village) 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 December 31, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Village of Plaquemine was incorporated in 1903 under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Aldermen form of government.

As the municipal governing authority, for reporting purposes, the Village of Plaquemine 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, (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, and (d) organizations that are closely related to, or financially integrated with the primary government.

Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by Statement No. 39 established criteria for determining which component units should be considered part of the Village of Plaquemine 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. These 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.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship if all of the following conditions exist:
 - a. The economic resources received or held by the organization are entirely or almost entirely for the direct benefit for the primary government, its component units, or its constituents.
 - b. The primary government (or its component units) is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
 - c. The economic resources received or held by an individual organization that the specific primary government (or its component units) is entitled to, or has the ability to otherwise access, are significant to that primary government.
4. Organizations that are closely related to, or financially integrated with the primary government.

Based upon the aforementioned criteria, the Village of Plaquemine has no component units.

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.

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.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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 -

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.

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

Additionally, the Village reports the following fund types:

Proprietary Funds –

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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 applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund. The Village's enterprise fund is the Water 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.

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.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Basis of Accounting

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

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 funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D. Assets, Liabilities and Equity

Cash 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.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes, franchise taxes and gaming revenue. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2004, an allowance for ad valorem taxes and customers' utility receivables was considered unnecessary due to immateriality. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Interfund receivables and payables

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

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

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

Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of water 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 debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements

Compensated Absences

Employees of the Village are not covered under any specific vacation or sick-leave policy. For fund financial statements, vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt. It is the Village's policy that unused compensated absences lapse at the end of each year; therefore, no accruals for accumulated compensated absences have been made at June 30, 2004.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Equity Classifications

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

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

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

E. 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.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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 4
Water revenue	Debt service and utility operations

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

G. Budget and Budgetary Accounting

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

1. The Mayor meets with the Board of Aldermen to review the prior year revenue and expenditures as a basis for projecting the current fiscal year budget.
2. The Village does not formally integrate its budget as a management tool.
3. All budgetary appropriations lapse at the end of the fiscal year.
4. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations. Budgetary control is exercised at the fund level.

H. Capitalization of Interest Expense

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

I. Use of Estimates

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

(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 Nonexchange Transactions, No. 37, Basic Financial Statements – And Management’s Discussion and Analysis – For State and Local Governments: Omnibus, No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. At June 30, 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 June 30, 2003 to be restated in terms of “net assets” as follows:

Total fund balances - Governmental Funds - at June 30, 2003		\$ 138,790
Add: Cost of capital assets at June 30, 2003	\$ 439,878	
Less: Accumulated depreciation at June 30, 2003	<u>(183,868)</u>	<u>256,010</u>
Net assets at June 30, 2003		<u>\$ 394,800</u>

(3) 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 in September or October and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Property tax revenues are recognized when levied to the extent that they result in current receivables.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

For the year ended June 30, 2004, taxes of 5.19 mills were levied on property with assessed valuations totaling \$876,250 and were dedicated as follows:

General corporate purposes	5.19 mills
----------------------------	------------

Total taxes levied were \$4,548. There were no taxes receivable at June 30, 2004.

(4) Sales and Use Tax

On May 24, 1975, the voters of the Village approved a one percent (1%) sales and use tax for a period beginning September 1, 1975. The revenues derived from said sales and use tax are to be used for the purpose of constructing, acquiring, improving and/or maintaining a new municipal building for the Village, including the purchasing and acquiring the necessary land, equipment, and furnishings for the building to be utilized as a public meeting hall and for recreational purposes; and for any lawful corporate purpose of the Village. The tax is subject to funding into bonds by the Village for any one or more of the foregoing purposes.

On June 15, 1994, the Village entered into an intergovernmental agreement with the Avoyelles Parish School Board whereby the School Board will collect the sales and use taxes, including interest, penalties, fees and costs, levied by the Village under the Village's ordinances for a monthly fee of 1.5 percent of the gross tax revenues collected by the School Board. The School Board will remit collections to the Village on a monthly basis no later than the 10th day of each month after reasonable and necessary cost and expenses of collection and administration of the taxes have been deducted, including the collection fee.

(5) Cash, Interest-Bearing Deposits

Under state law, the Village 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 may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Village had cash and interest-bearing deposits (book balances) totaling \$504,601 as follows:

Cash on hand	\$ 40
Time deposits	273,163
Money market accounts	<u>231,398</u>
Total	<u>\$ 504,601</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2004 were secured as follows:

Bank balances	<u>\$ 504,560</u>
Federal deposit insurance	\$ 223,070
Pledged securities (Category 3)	<u>281,490</u>
 Total FDIC insurance and pledged securities	 <u>\$ 504,560</u>

Pledged securities in Category 3 include uninsured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 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 Town that the fiscal agent has failed to pay deposited funds upon demand.

(6) Receivables

Receivables at June 30, 2004 of \$58,096 consist of the following:

	<u>General</u>	<u>Sales Tax</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ 28,164	\$ 28,164
Unbilled utility	-	-	21,700	21,700
Franchise tax	2,787	-	-	2,787
Sales tax	-	3,654	-	3,654
Interest	-	459	1,332	1,791
 Totals	 <u>\$ 2,787</u>	 <u>\$ 4,113</u>	 <u>\$ 51,196</u>	 <u>\$ 58,096</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(7) Due from Other Governmental Units

Amounts due from other governmental units of \$17,253 at June 30, 2004 consisted of the following:

General Fund:

Amount due from the Louisiana Department of Transportation and Development for sidewalk grant.	\$ 9,822
Amount due from the Avoyelles Parish Police Jury for gaming revenue earned during fiscal year ending June 30, 2004.	6,654
Amount due from the State of Louisiana for beer tax revenues earned during fiscal year ending June 30, 2004.	215
Amount due from the State of Louisiana for video poker revenues earned during fiscal year ending June 30, 2004.	<u>562</u>
	<u>\$17,253</u>

(8) Restricted Assets

Restricted assets in the water utility fund consisted of the following at June 30, 2004:

Customer meter deposits	\$ 40,556
Bond and interest sinking fund	9,818
Bond reserve fund	3,499
Water depreciation and contingency fund	<u>30,799</u>
Total enterprise utility fund restricted assets	<u>\$ 84,672</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(9) Capital Assets

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

	<u>Balance 07/01/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/04</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,800	\$ -	\$ -	\$ 6,800
Other capital assets:				
Buildings	180,025	-	-	180,025
Infrastructure	160,054	107,002	-	267,056
Equipment, furniture and fixtures	73,161	1,129	-	74,290
Vehicles	19,838	-	-	19,838
Totals	<u>439,878</u>	<u>108,131</u>	<u>-</u>	<u>548,009</u>
Less accumulated depreciation				
Buildings	115,839	4,027	-	119,866
Infrastructure	24,336	7,116	-	31,452
Equipment, furniture and fixtures	41,709	3,896	-	45,605
Vehicles	1,984	3,967	-	5,951
Total accumulated depreciation	<u>183,868</u>	<u>19,006</u>	<u>-</u>	<u>202,874</u>
Governmental activities, capital assets, net	<u>\$ 256,010</u>	<u>\$ 89,125</u>	<u>\$ -</u>	<u>\$ 345,135</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Other capital assets:				
Water system	2,620,015	73,492	-	2,693,507
Machinery and equipment	115,018	-	-	115,018
Totals	<u>2,740,033</u>	<u>73,492</u>	<u>-</u>	<u>2,813,525</u>
Less accumulated depreciation				
Water system	772,011	62,171	-	834,182
Machinery and equipment	56,282	11,327	-	67,609
Total accumulated depreciation	<u>828,293</u>	<u>73,498</u>	<u>-</u>	<u>901,791</u>
Business-type activities, capital assets, net	<u>\$ 1,911,740</u>	<u>\$ (6)</u>	<u>\$ -</u>	<u>\$ 1,911,734</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 10,925
Police	4,791
Fire	303
Culture and recreation	<u>2,987</u>
Total depreciation expense	<u>\$ 19,006</u>

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

Water	<u>\$ 73,498</u>
-------	------------------

(10) Accounts and Other Payables

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 7,686	\$ 17,662	\$ 25,348
Contracts	<u>10,368</u>	<u>-</u>	<u>10,368</u>
Totals	<u>\$ 18,054</u>	<u>\$ 17,662</u>	<u>\$ 35,716</u>

(11) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Village for the year ended June 30, 2004:

	<u>Business-Type Activities</u>
	<u>Revenue</u>
	<u>Bonds</u>
Long-term debt, July 1, 2003	\$ 496,497
Additions	425,000
Retirements	<u>(496,497)</u>
Long-term debt, June 30, 2004	<u>\$ 425,000</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Long-term debt payable at June 30, 2004 is comprised of the following individual issues:

\$425,000 Water Revenue Refunding Bonds, Series 2004, due in annual installments of \$11,000 to \$40,000 through December 1, 2018; interest at 4.867%; secured by water utility fund revenues. \$ 425,000

The bonds are due as follows:

Year ending June 30,	Business-Type Activities	
	Principal payments	Interest payments
2005	\$ 11,000	\$ 20,417
2006	21,000	19,638
2007	22,000	18,592
2008	23,000	17,497
2009	25,000	16,329
2010 - 2014	142,000	61,957
2016 - 2018	<u>181,000</u>	<u>22,899</u>
Total	<u>\$ 425,000</u>	<u>\$ 177,329</u>

(12) Flow of Funds; Restrictions on Use – Water Revenues

Under the terms of the \$425,000 Water Revenue Refunding Bonds, Series 2004, all income and revenues of every nature derived from the operation of the system are pledged and dedicated to the retirement of said bonds.

Water Revenue Bond and Interest Sinking Fund

The Village is required to set aside into the Water Revenue Bond and Interest Sinking Fund monthly in advance on or before the 20th day of each month of each year a sum equal to 1/6th of the interest falling due on the next interest payment date and a sum equal to 1/12th of the principal falling due on the next principal payment date. Funds deposited in this account are available only for the retirement of maturing bonds and interest.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Water Revenue Bond Reserve Fund

The Village is required to set aside into the Water Revenue Bond Reserve Fund monthly in advance on the 20th day of each month a sum at least equal to 5% of the amount to be paid into the Sinking Fund until such time as there has been accumulated therein a sum equal to the Reserve Fund Requirement of \$41,947. The money in the Reserve Fund shall be retained solely for the purpose of paying the principal and interest on the Bonds as to which there would otherwise be default.

Water Depreciation and Contingency Fund

The Village is required to maintain the Water Depreciation and Contingency Fund to care for depreciation, extensions, additions, improvements, and replacements necessary to properly operate the System, by transferring monthly in advance on or before the 20th day of each month a sum at least equal to 5% of the amount to be paid into the Sinking Fund. Funds deposited into this account may also be used to pay the principal of and interest on bonds for the payment of which there is not sufficient money in the Sinking Fund, but if used, such money must be replaced as soon as possible out of the earnings of the system after making the required monthly payments into the respective funds and accounts.

Utility Rates

It is further understood that the Town shall adopt a rate ordinance which shall provide revenue in each year, after paying all reasonable and necessary expenses of operating and maintaining the water system in such year, at least equal to 120 percent of the largest amount of principal and interest maturing on the bonds in any future fiscal year. Said rate ordinance shall also provide for a 10 percent penalty charge for non-payment bills within fifteen days after the due date and discontinuance of service upon non-payment of bills within twenty-five days after the due date.

For the fiscal year ended June 30, 2004, the Village complied with all the above bond indenture requirements.

(13) Employee Retirement

Employees of the Village of Plaquemine participate in the Social Security System. The Village and its employees contribute a percentage of each employee's salary to the System (7.65 percent contributed by the Town; 7.65 percent contributed by the employee). The Village's contributions during the year ending June 30, 2004 amounted to \$9,621.

(14) Risk Management

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(15) Compensation of Town Officials

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

Terryl St. Romain, Mayor	\$ 2,000
Aldermen:	
Gerald J. Saucier	1,250
Stewart Aymond	1,250
Mona Rabalais	<u>1,250</u>
Total	<u>\$ 5,750</u>

(16) Interfund Receivables/Payables

Transfers consisted of the following at June 30, 2004:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 61,335	\$ -
Sales Tax Special Revenue Fund	-	<u>46,077</u>
Total governmental funds	<u>61,335</u>	<u>46,077</u>
Proprietary funds:		
Enterprise Fund	-	<u>15,258</u>
Total	<u>\$ 61,335</u>	<u>\$ 61,335</u>

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.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(17) Contract Agreements

In December 1984, the Village placed into service a new water treatment facility making it possible to produce its own water in a supply sufficient to service all of its customers. Prior to the operation of this new plant, the Village was purchasing its water from the Town of Cottonport, Louisiana. The Village elected to maintain its contract with the Town of Cottonport in order to meet emergency supply needs or cope with unforeseen circumstances. The contract agreement was renewed on February 1, 2004, for a term of one year. A summary of the major contract provisions is as follows:

A. Seller (Town of Cottonport) agrees:

To furnish at the point of delivery, potable water in such quantity as may be required by the purchaser not to exceed 75,000 gallons per day.

B. Purchaser (Village of Plaquemine) agrees;

To pay to seller, no later than the 15th day of each month, for water delivered in accordance with the contract agreement the sum of \$1.12 per one thousand gallons for all water delivered to the purchaser per month.

(18) Franchise Agreements

The Village of Plaquemine has entered into franchise agreements with various public utility companies that provide services within the corporate limits of the Village. A summary of each such agreement is as follows:

1. Central Louisiana Electric Company, Inc. (CLECO) - effective May 4, 1987, for a period of thirty (30) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale and delivery of electric energy for residential and commercial purposes billed on commercial and residential rates within the Village. Fees are payable quarterly, within thirty (30) days of the end of the quarter. Other franchise provisions are as follows:

Franchise payments will be reduced in an amount equal to the sum of any new or increased taxes of any nature whatsoever levied by the municipality and payable by CLECO (except uniform ad valorem taxes, based on property values).

2. Classic Communications - effective April 4, 1994, for a period of fifteen (15) years. The franchise fee is based on five percent (5%) of gross subscription receipts, less sales taxes, federal excise tax and copyright fees, received by the company within the Village. Fees are payable to the Village quarterly, by the 10th of the following month.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

3. Entex - effective June 1992, for a period of twenty-five (25) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale of gas for residential and commercial purposes billed on residential and commercial rates within the limits of the Village. Fees are payable on or before the 10th of each February.
4. Century Telephone Company - effective April 2, 1999, for a period of twenty-five (25) years granting the company the right, privilege and franchise to operate within the limits of the Village. Consideration is given in exchange for said rights.

**REQUIRED SUPPLEMENTARY
INFORMATION**

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	2004			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 16,250	\$ 17,568	\$ 18,817	\$ 1,249
Licenses and permits	16,500	18,250	22,838	4,588
Intergovernmental	167,700	113,300	132,689	19,389
Fines and forfeits	4,500	4,750	4,470	(280)
Miscellaneous	9,250	31,850	31,609	(241)
Total revenues	<u>214,200</u>	<u>185,718</u>	<u>210,423</u>	<u>24,705</u>
Expenditures:				
Current -				
General government:				
Administrative	63,548	89,095	90,417	(1,322)
Public safety:				
Police	30,110	33,613	38,626	(5,013)
Fire	2,500	3,450	3,157	293
Culture and recreation	3,550	4,200	4,486	(286)
Capital outlay	129,000	120,324	108,131	12,193
Total expenditures	<u>228,708</u>	<u>250,682</u>	<u>244,817</u>	<u>5,865</u>
Deficiency of revenues over expenditures	<u>(14,508)</u>	<u>(64,964)</u>	<u>(34,394)</u>	<u>30,570</u>
Other financing sources (uses):				
Transfers from -				
Water Fund	15,000	30,000	46,077	(16,077)
Sales Tax Fund	-	24,000	15,258	8,742
Total other financing sources (uses)	<u>15,000</u>	<u>54,000</u>	<u>61,335</u>	<u>(7,335)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	492	(10,964)	26,941	23,235
Fund balance, beginning	<u>35,610</u>	<u>35,610</u>	<u>35,610</u>	<u>-</u>
Fund balance, ending	<u>\$ 36,102</u>	<u>\$ 24,646</u>	<u>\$ 62,551</u>	<u>\$ 23,235</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	2004			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 23,000	\$ 30,150	\$ 32,850	\$ 2,700
Miscellaneous -				
Interest	<u>2,300</u>	<u>1,825</u>	<u>1,652</u>	<u>(173)</u>
Total revenues	<u>25,300</u>	<u>31,975</u>	<u>34,502</u>	<u>2,527</u>
Expenditures:				
Current:				
General government	<u>300</u>	<u>990</u>	<u>1,031</u>	<u>(41)</u>
Excess of revenues over expenditures	25,000	30,985	33,471	2,486
Other financing uses:				
Transfers out	<u>(15,000)</u>	<u>(30,000)</u>	<u>(46,077)</u>	<u>(16,077)</u>
Excess (deficiency) of revenues over expenditures and other uses	10,000	985	(12,606)	(13,591)
Fund balances, beginning	<u>103,180</u>	<u>103,180</u>	<u>103,180</u>	<u>-</u>
Fund balances, ending	<u>\$ 113,180</u>	<u>\$ 104,165</u>	<u>\$ 90,574</u>	<u>\$ (13,591)</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2004

	2004			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Taxes:				
Ad valorem	\$ 4,250	\$ 4,540	\$ 4,503	\$ (37)
Franchise -				
Electric	7,000	7,500	7,744	244
Gas	2,000	2,628	2,628	-
Cable TV	3,000	2,900	3,942	1,042
Total taxes	<u>16,250</u>	<u>17,568</u>	<u>18,817</u>	<u>1,249</u>
Licenses and permits:				
Occupational licenses	<u>16,500</u>	<u>18,250</u>	<u>22,838</u>	<u>4,588</u>
Intergovernmental:				
Federal grants -				
Federal grants	75,000	56,500	66,000	9,500
State of Louisiana -				
Beer taxes	1,200	1,600	1,814	214
Video poker	-	3,200	3,606	406
Grants	54,000	25,000	35,000	10,000
Gaming revenue	<u>37,500</u>	<u>27,000</u>	<u>26,269</u>	<u>(731)</u>
Total intergovernmental	<u>167,700</u>	<u>113,300</u>	<u>132,689</u>	<u>19,389</u>
Fines and forfeits:				
Fines and court costs	<u>4,500</u>	<u>4,750</u>	<u>4,470</u>	<u>(280)</u>
Miscellaneous:				
Interest	750	350	607	257
Hall rentals	4,500	4,500	5,008	508
Other sources	<u>4,000</u>	<u>27,000</u>	<u>25,994</u>	<u>(1,006)</u>
Total miscellaneous	<u>9,250</u>	<u>31,850</u>	<u>31,609</u>	<u>(241)</u>
Total revenues	<u>\$ 214,200</u>	<u>\$ 185,718</u>	<u>\$ 210,423</u>	<u>\$ 24,705</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2004

	2004			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Current:				
General government:				
Administrative -				
Mayor and council salaries	\$ 5,520	\$ 5,980	\$ 5,750	\$ 230
Other salaries and wages	15,100	16,150	15,699	451
Insurance	6,000	8,300	7,594	706
Payroll taxes	1,208	1,725	1,672	53
Maintenance and supplies	7,500	6,500	10,281	(3,781)
Advertisements and publishing	2,100	2,300	1,863	437
Office supplies and postage	3,120	3,220	3,076	144
Trash pickup	950	1,270	1,436	(166)
Professional fees	3,000	2,300	1,601	699
Miscellaneous	7,500	28,000	26,818	1,182
Utilities and telephone	10,500	12,500	13,855	(1,355)
Christmas decorations	500	550	542	8
Dues and subscriptions	550	300	230	70
Total administrative	<u>63,548</u>	<u>89,095</u>	<u>90,417</u>	<u>(1,322)</u>
Public safety:				
Police -				
Salaries	22,880	25,000	29,268	(4,268)
Payroll taxes	1,830	1,963	2,299	(336)
Supplies	800	900	711	189
Gas, oil and repairs	1,500	1,700	1,455	245
Insurance	2,500	3,450	3,157	293
Miscellaneous	600	600	1,736	(1,136)
Total police department	<u>30,110</u>	<u>33,613</u>	<u>38,626</u>	<u>(5,013)</u>
Fire -				
Insurance	<u>2,500</u>	<u>3,450</u>	<u>3,157</u>	<u>293</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended June 30, 2004

	2004			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Culture and recreation -				
Cleaning and janitorial	2,500	2,500	2,420	80
Insurance	1,050	1,400	1,281	119
Miscellaneous	-	300	785	(485)
Total culture and recreation	<u>3,550</u>	<u>4,200</u>	<u>4,486</u>	<u>(286)</u>
Capital outlay:				
General government:				
Sidewalks	75,000	75,000	74,866	134
Total general government	<u>75,000</u>	<u>75,000</u>	<u>74,866</u>	<u>134</u>
Public Safety:				
Police -				
Equipment	-	1,200	1,129	71
Culture and recreation:				
Centennial memorial	-	6,000	7,327	(1,327)
Walking track	29,000	-	-	-
Veterans' memorial	25,000	38,124	24,809	13,315
Total culture and recreation	<u>54,000</u>	<u>44,124</u>	<u>32,136</u>	<u>11,988</u>
Total capital outlay	<u>129,000</u>	<u>120,324</u>	<u>108,131</u>	<u>12,193</u>
Total expenditures	<u>\$ 228,708</u>	<u>\$ 250,682</u>	<u>\$ 244,817</u>	<u>\$ 5,865</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Special Revenue Fund
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	2004			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 23,000	\$ 30,150	\$ 32,850	\$ 2,700
Miscellaneous:				
Interest	<u>2,300</u>	<u>1,825</u>	<u>1,652</u>	<u>(173)</u>
Total revenues	<u>25,300</u>	<u>31,975</u>	<u>34,502</u>	<u>2,527</u>
Expenditures:				
Current -				
General government -				
Sales tax collection fee	<u>300</u>	<u>990</u>	<u>1,031</u>	<u>(41)</u>
Excess of revenues over expenditures	<u>25,000</u>	<u>30,985</u>	<u>33,471</u>	<u>2,486</u>
Other financing uses:				
Transfers to -				
General Fund	<u>(15,000)</u>	<u>(30,000)</u>	<u>(46,077)</u>	<u>(16,077)</u>
Total other financing uses	<u>(15,000)</u>	<u>(30,000)</u>	<u>(46,077)</u>	<u>(16,077)</u>
Excess (deficiency) of revenues over expenditures and other uses	10,000	985	(12,606)	(13,591)
Fund balance, beginning	<u>103,180</u>	<u>103,180</u>	<u>103,180</u>	<u>-</u>
Fund balance, ending	<u>\$ 113,180</u>	<u>\$ 104,165</u>	<u>\$ 90,574</u>	<u>\$(13,591)</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Enterprise Fund
Utility Fund

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

Records maintained by the Town indicated the following number of customers were being serviced during the month of June 2004:

<u>Type</u>	<u>Number of Customers</u>
Commercial	7
Nursing Home	1
Schools	4
Residential	1,264

VILLAGE OF PLAUCHEVILLE, LOUISIANA

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

<u>Company</u>	<u>Policy</u>	<u>Period Covered</u>	<u>Description of Coverage</u>
Fire & Extended Coverage of Buildings and Inland Marine Property Floater			
Rod Prejean & Associates	2X5-60-09	08/01/03 - 08/01/04	Concession Stand: Building 18,000 Contents 2,000 Town Hall: Building 100,000 Contents 20,000 Fire Station: Building 50,000 Contents 20,000 Community Center: Building 150,000 Contents 20,000 Water Well Pump: Non-fixed location 15,000 Water Well Pump: Fixed Location 15,000 Control water room: Generator 15,000 Water dept. building: Building 30,000 Contents 15,000
Auto Insurance			
Rod Prejean & Associates	APD2696600	10/03/03 - 10/03/04	Backhoe 14,500 Ditch Witch 3,200 Terrorism Risk Coverage 93 Ford F250 6,000 97 Crown Vic w/equip 11,000 02 Chevy Fleetside 13,220 03 Crown Vic 19,838

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA

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

<u>Company</u>	<u>Policy</u>	<u>Period Covered</u>	<u>Description of Coverage</u>	
General Liability				
Louisiana Municipal Risk Management Agency	LML - 150	05/01/04 - 05/01/05	Auto Liability	500,000
			General Liability	500,000
			Police Liability	500,000
			Public Official E&O	500,000
Worker's Compensation				
Louisiana Municipal Risk Management Agency	0093-00	01/01/04 - 01/01/05	Worker's Comp.	\$100,000
			Waterworks	
			Fire	
			Police	
			Clerical	
Public Employee Bond				
Cenla Insurance Exchange	18278088	08/23/03 - 08/23/04	Public Emp. Bond	80,000
	15411341	08/23/03 - 08/23/04	Notary Bond	5,000

**COMPLIANCE
AND
INTERNAL CONTROL**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

WEB SITE:
WWW.KSRCPAS.COM

Robert S. Carter, CPA
Allen J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA, CVA

MEMBER OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

* A Professional Accounting Corporation

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

The Honorable Terryl St. Romain, Mayor
and Members of the Board of Aldermen
Village of Plaquemine, Louisiana

We have audited the basic financial statements of the Village of Plaquemine, Louisiana's (the Village) as of and for the year ended June 30, 2004, and have issued our report thereon dated August 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with 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 noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

183 South Beadle
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

This report is intended solely for the information of the Village's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
August 19, 2004

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Years Ended June 30, 2004 and 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date Of Completion
----------	--	------------------------	-------------------------	---------------------------	------------------------	--------------------------------

CURRENT YEAR (6/30/04) --

Compliance:

There were no compliance findings to be reported.

Internal Control Over Financial Reporting:

There were no matters involving the internal control over financial reporting to be reported.

PRIOR YEAR (6/30/03) --

Compliance:

There were no compliance findings to be reported.

Internal Control Over Financial Reporting:

There were no matters involving the internal control over financial reporting to be reported.