

TOWN OF BOYCE, LOUISIANA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED MAY 31, 2004
With Comparative Totals for May 31, 2003

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 12-1-04

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October 20, 2004

INDEPENDENT AUDITORS' REPORT

The Honorable Julius Patrick, Jr., Mayor
and Members of the Board of Aldermen
Town of Boyce, Louisiana

We have audited the accompanying general-purpose financial statements of the Town of Boyce, Louisiana as of May 31, 2004, and for the year then ended. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Boyce, Louisiana, as of May 31, 2004, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 20, 2004, on our consideration of the Town of Boyce, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

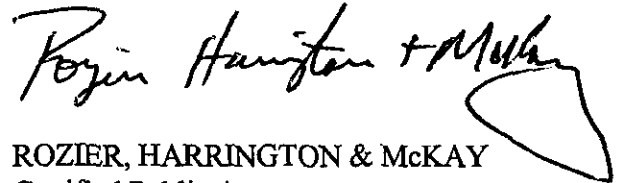
Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table

-Members-

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*The Honorable Julius Patrick, Jr., Mayor
and Members of the Board of Aldermen
Town of Boyce*

of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Boyce, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

TOWN OF BOYCE, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

May 31, 2004
 With Comparative Totals for May 31, 2003

	Governmental Funds		Proprietary Funds		Fiduciary Funds		Account Groups		Memorandum Totals	
	General	Capital Projects	Enterprise	Agency	General	General	Fixed Assets	Long-term Debt	2004	2003
Assets										
Cash and cash equivalents	\$ 68,468	\$ -	\$ 219,908	\$ 12,862	\$ -	\$ -	\$ -	\$ -	\$ 301,238	\$ 191,108
Receivables (net of allowance for doubtful accounts)	34,382	-	102,460	-	-	-	-	-	136,842	175,248
Due from other funds	-	-	-	-	-	-	-	-	-	37,500
Restricted cash and cash equivalents	-	-	93,346	-	-	-	-	-	93,346	237,099
Property and equipment (net of accumulated depreciation)	-	-	1,928,561	-	-	-	2,593,299	-	4,521,860	4,652,853
Amount to be provided for retirement of long-term debt	-	-	-	-	-	-	-	50,226	50,226	82,729
Total assets	\$ 102,850	\$ -	\$ 2,344,275	\$ 12,862	\$ -	\$ -	\$ 2,593,299	\$ 50,226	\$ 5,103,512	\$ 5,376,537
Liabilities and Fund Equity										
Liabilities:										
Accounts and other payables	\$ 15,182	\$ -	\$ 46,814	\$ 12,862	\$ -	\$ -	\$ -	\$ -	\$ 74,858	\$ 155,197
Due to other funds	-	-	-	-	-	-	-	-	-	37,500
Payable from restricted assets:										
Revenue bonds payable	-	-	5,709	-	-	-	-	-	5,709	5,424
Deposits Due Others	-	-	97,839	-	-	-	-	-	97,839	101,544
Revenue bonds payable	-	-	381,675	-	-	-	-	-	381,675	387,384
Certificates of indebtedness	-	-	215,000	-	-	-	-	35,000	250,000	320,000
Capital lease	-	-	66,005	-	-	-	-	-	66,005	75,527
Compensated absences payable	-	-	39,351	-	-	-	-	15,226	54,577	43,000
Total liabilities	15,182	-	852,393	12,862	-	-	-	50,226	930,663	1,125,576
Fund Equity:										
Investment in general fixed assets	-	-	-	-	-	-	2,593,299	-	2,593,299	2,584,139
Contributed capital	-	-	1,556,880	-	-	-	-	-	1,556,880	1,556,880
Retained earnings:										
Reserved	-	-	87,637	-	-	-	-	-	87,637	130,131
Unreserved	-	-	(152,635)	-	-	-	-	-	(152,635)	(36,269)
Fund Balance:										
Unreserved	87,668	-	-	-	-	-	-	-	87,668	16,080
Total fund equity	87,668	-	1,491,882	-	-	-	2,593,299	-	4,172,849	4,250,961
Total liabilities and fund equity	\$ 102,850	\$ -	\$ 2,344,275	\$ 12,862	\$ -	\$ -	\$ 2,593,299	\$ 50,226	\$ 5,103,512	\$ 5,376,537

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

TOWN OF BOYCE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
All Governmental Fund Types
For the Year Ended May 31, 2004
With Comparative Totals for the Year Ended May 31, 2003

	General	Capital Projects	Memorandum Totals	
			2004	2003
Revenues:				
Taxes:				
Ad valorem	\$ 10,340	\$ -	\$ 10,340	\$ 9,774
Sales tax	235,255	-	235,255	215,003
Franchise	6,019	-	6,019	3,861
Licenses and permits:				
Occupational licenses	61,775	-	61,775	54,264
Charges for services:				
Garbage	72,963	-	72,963	72,838
Late fees	2,076	-	2,076	3,090
Intergovernmental:				
Federal grants	-	19,415	19,415	460,899
State and local grants	62,704	-	62,704	46,200
Tobacco tax	-	-	-	81
Beer tax	3,156	-	3,156	3,345
Fines	6,923	-	6,923	9,617
Miscellaneous:				
Interest	644	-	644	1,186
Land lease	12,480	-	12,480	12,480
Other	14,968	-	14,968	12,810
Total revenues	489,303	19,415	508,718	905,448
Expenditures:				
General government	169,795	-	169,795	205,440
Public safety	185,830	-	185,830	203,714
Streets and sanitation	139,002	-	139,002	158,093
Recreation	12,006	-	12,006	8,992
Capital projects	-	19,416	19,416	492,574
Debt service	38,413	-	38,413	35,525
Total expenditures	545,046	19,416	564,462	1,104,338
Excess (deficiency) of revenues over expenditures	(55,743)	(1)	(55,744)	(198,890)
OTHER FINANCING SOURCES (USES):				
Operating transfers out	(17,618)	-	(17,618)	(38,543)
Operating transfers in	144,950	-	144,950	158,001
Total other financing sources (uses)	127,332	-	127,332	119,458
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	71,589	(1)	71,588	(79,432)
Fund balance - beginning of year	16,079	1	16,080	95,512
Fund balance - end of year	\$ 87,668	\$ -	\$ 87,668	\$ 16,080

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

TOWN OF BOYCE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
General Fund
For the Year Ended May 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 249,700	\$ 251,614	\$ 1,914
License and permits	55,850	61,775	5,925
Charges for services	84,050	75,039	(9,011)
Intergovernmental	14,000	65,860	51,860
Fines	7,680	6,923	(757)
Miscellaneous	44,450	28,092	(16,358)
Total revenues	<u>455,730</u>	<u>489,303</u>	<u>33,573</u>
Expenditures:			
General government	256,600	169,795	86,805
Public safety	169,940	185,830	(15,890)
Recreation	16,000	12,006	3,994
Streets and sanitation	135,200	139,002	(3,802)
Debt service	38,500	38,413	87
Total expenditures	<u>616,240</u>	<u>545,046</u>	<u>71,194</u>
Excess (deficiency) of revenues over expenditures	<u>(160,510)</u>	<u>(55,743)</u>	<u>104,767</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers out	-	(17,618)	(17,618)
Operating transfers in	150,000	144,950	(5,050)
Total other financing sources (uses)	<u>150,000</u>	<u>127,332</u>	<u>(22,668)</u>
Excess (deficiency) of revenues and and other financing sources over expenditures and other uses	<u>(10,510)</u>	<u>71,589</u>	<u>82,099</u>
Fund balance - beginning of year	<u>16,079</u>	<u>16,079</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,569</u>	<u>\$ 87,668</u>	<u>\$ 82,099</u>

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

TOWN OF BOYCE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN RETAINED EARNINGS

Proprietary Fund Type

For the Year Ended May 31, 2004

With Comparative Totals for the Year Ended May 31, 2003

	Enterprise Funds	
	2004	2003
<u>Operating revenues:</u>		
Charges for services	\$ 1,162,375	\$ 1,077,076
Delinquent charges	27,963	26,842
Other operating income	12,150	8,805
Total operating revenues	1,202,488	1,112,723
<u>Operating expenses:</u>		
Salaries - operating	147,289	130,813
Salaries - clerical	58,448	63,443
Maintenance supplies	14,059	26,286
Electricity purchased	506,109	470,165
Natural gas purchased	179,262	152,397
Truck expense	3,566	5,769
Water testing	803	974
Repairs	15,979	17,675
Legal and professional	17,624	17,512
Payroll taxes	14,947	15,254
Insurance	65,110	56,890
Depreciation	140,155	133,631
Other	38,110	32,798
Total operating expenses	1,201,461	1,123,607
Operating income	1,027	(10,884)
<u>Non-operating revenues (expenses):</u>		
Interest income	3,464	6,366
Interest expense	(36,019)	(35,567)
Total non-operating revenues	(32,555)	(29,201)
Income (loss) before operating transfers	(31,528)	(40,085)
Operating transfers in (out)	(127,332)	(81,958)
Net income (loss)	(158,860)	(122,043)
Retained earnings - beginning of year	93,862	215,905
Retained earnings - end of year	\$ (64,998)	\$ 93,862

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

TOWN OF BOYCE, LOUISIANA
COMBINED STATEMENT OF CASH FLOWS
Proprietary Fund Type
For the Year Ended May 31, 2004
With Comparative Totals for the Year Ended May 31, 2003

	Enterprise Funds	
	2004	2003
<u>Cash flow from operating activities:</u>		
Operating income (loss)	\$ 1,027	\$ (10,884)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	140,155	133,631
(Increase) decrease in accounts receivable	4,759	(11,594)
(Decrease) increase in accounts payable	(2,521)	(5,662)
(Decrease) increase in customer deposits	(3,706)	6,084
(Decrease) increase in other liabilities	9,080	(5,151)
Net cash provided (used) by operating activities	148,794	106,424
<u>Cash flows from non-capital financing activities:</u>		
Operating transfers in (out)	(127,332)	(81,958)
Net cash provided (used) by non-capital financing activities	(127,332)	(81,958)
<u>Cash flows from capital and related financing activities:</u>		
Acquisition of capital assets	-	(6,061)
Debt service - principal	(49,946)	(45,183)
Debt service - interest	(36,019)	(35,567)
Net cash provided (used) by capital and related financing activities	(85,965)	(86,811)
<u>Cash flows from investing activities:</u>		
Interest income	3,464	6,366
Net cash provided (used) by investing activities	3,464	6,366
Net increase (decrease) in cash	(61,039)	(55,979)
Beginning cash balance	374,293	430,272
Ending cash balance	\$ 313,254	\$ 374,293
Cash, unrestricted	\$ 219,908	\$ 137,194
Cash, restricted	\$ 93,346	\$ 237,099

For the years ended May 31, 2004 and 2003 there were no investing, capital, and financing activities that did not result in cash receipts or payments.

Cash paid for interest for the years ended 2004 and 2003 is \$36,019 and \$35,567 respectively.

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

TOWN OF BOYCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
May 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Basis of Presentation

The Town of Boyce (the Town) was incorporated under the provisions of the Lawrason Act and operates under a Mayor-Board of Aldermen form of government. The Town provides various services including public safety (police and fire protection), streets and drainage, sanitation, public improvements, utility (gas, water, electricity, and sewerage), and general administrative services.

The accounting and reporting practices of the Town of Boyce, Louisiana, conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods.

The following is a summary of the more significant accounting policies.

Financial Reporting Entity

As the municipal governing authority, for reporting purposes the Town of Boyce, Louisiana, is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government, (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 Boyce, Louisiana, 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 includes:

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.

Based upon the above criteria, the Town of Boyce has no component units for the year ended May 31, 2004.

TOWN OF BOYCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
May 31, 2004

Fund Accounting

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the Town:

GOVERNMENTAL FUNDS

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

Capital Projects Fund - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

FIDUCIARY FUND

Agency Fund - The Agency Fund accounts for assets held by the Town as an agent for individuals, private organizations, other governments, and/or other funds. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The agency fund accounts for disbursement of the Town's payroll and related liabilities.

PROPRIETARY FUND

Enterprise Fund - The Enterprise Fund is 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 enterprise funds of the Town account for operations of a natural gas, electricity, water, and sewerage system.

ACCOUNT GROUPS

General Fixed Assets Account Group - This group of accounts is used to account for fixed assets of the Town other than those accounted for in the Proprietary Funds.

General Long-Term Debt Account Group - This group of accounts is used to account for long-term debt of the Town other than the debt accounted for in the Proprietary Funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

TOWN OF BOYCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
May 31, 2004

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of the Town and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Typically amounts that are expected to be collected within 60 days are amounts that are due under cost reimbursement arrangements are considered to be available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt, which is recognized when due.

In both governmental and proprietary funds, inventories of supplies are considered immaterial and are not recorded.

The proprietary (enterprise) fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Utility revenues are billed on a cycle basis and are recognized in the month billed. Unbilled service receivables resulting from utility services rendered between cycle billing and the end of the month have been recognized in the accompanying financial statements.

The basis of accounting followed by proprietary funds is similar to accounting practices utilized by business enterprises. Due to these similarities, proprietary funds are allowed to follow certain pronouncements that are developed by the Financial Accounting Standards Board (FASB) for business enterprises. However, the Town only applies those FASB pronouncements that were issued on or before November 30, 1989.

Budgets and Budgetary Practices

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

1. The Town Clerk prepares a proposed budget for the general fund for the upcoming year and submits it to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of that year. This budget includes proposed expenditures and the means of financing them.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, the date of a public hearing is published.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

TOWN OF BOYCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
May 31, 2004

4. After holding the public hearing and prior to the commencement of the new year, the budget is legally enacted through passage of an ordinance.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General Fund 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 Mayor and Board of Aldermen. Such amendments were not material in relation to the original appropriations.

Cash and Cash Equivalents and Investments

Cash and cash equivalents includes amounts in demand deposits and time deposits with maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, money market deposits, or time and savings deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the Town may also invest in U.S. bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. The Town had no investments at May 31, 2004.

Due To/From Other Funds

Amounts in each fund listed as due to/from are offset by corresponding entries in other funds. Funds shown as such are considered available for expenditure unless specifically restricted within the statements. Interfund receivables and payables are not eliminated in the preparation of combined financial statements.

Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and they are recorded as expenditures in the governmental fund types when purchased. The Town has elected to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets. Fixed assets are valued at historical cost, including interest incurred during construction, unless they were donated in which case they are valued at fair market value at the date of donation. At May 31, 2004, there were no material amounts of donated assets.

Long-term liabilities are expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

These two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Fixed assets used in the proprietary fund type operations are included on the balance sheet of the fund at historical cost including any interest incurred during construction. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

TOWN OF BOYCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
May 31, 2004

Water Utility and Sewerage System	
Water Distribution System	25 years
Water Wells	25 years
Water Lines	50 years
Fire Hydrants	50 years
Pump, House and Fence	25 years
Meters	25 years
Lights Utility	
Electric Distribution System	25 years
Trucks	4 years
Equipment	8 years
Transformers	25 years
Gas Utility	
Distribution System	50 years
Meters	50 years
Building	33 years
Equipment	8 years
Trucks	5 years
Meter Taps/Gas Line Tie-Ins	50 years

Effective June 1, 1992, the Lights and Water Fund was separated into two funds. In conjunction with this separation, the water system assets and their related accumulated depreciation and contributed capital have been transferred to the Water Fund.

Also effective June 1, 1992, the sewerage activities of the Town were separated from the General Fund. Accordingly, there existed some sewer system assets in the General Fixed Assets Account Group at this separation date. Since these assets would be fully depreciated if they had been accounted for in an enterprise fund through June 1, 1992, they have not been transferred to the Sewer Fund. Improvements to the sewer system in the future will be recorded in the Sewer Fund.

Contributed Capital

In the Enterprise Funds, amounts contributed to the Town for acquisition or construction of fixed assets are recorded as contributed capital. Depreciation of these contributed capital assets is computed using the straight-line method over the estimated useful lives of the assets and is charged as a current period expense.

Statement of Cash Flows

The Town has adopted Government Auditing Standards Board Statement No. 9 "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." This statement requires entities to report a statement of cash flows as part of a full set of

TOWN OF BOYCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
May 31, 2004

financial statements instead of reporting a statement of changes in financial position. For the purposes of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in bank, and certificates of deposit.

For the year ended May 31, 2004, there were no material non-cash investing activities or capital and related financing activities.

Compensated Absences

Accumulated unpaid vacation and compensatory pay are accrued when incurred in Proprietary Funds (using the accrual basis of accounting). These amounts relating to the Governmental Funds have been presented in the General Long-Term Debt Group of accounts. At May 31, 2004, compensated absences for all funds and account groups combined totaled \$54,577.

Encumbrance Accounting

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

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.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Total Columns on Combined Statements - Overview

Total columns on the combined statements are captioned "Memorandum Totals" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows 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.

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,

TOWN OF BOYCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
May 31, 2004

comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account based on historical information which would indicate the uncollectibility of a percentage of the particular receivable.

NOTE 2 - CASH AND CASH EQUIVALENTS

At May 31, 2004, cash and cash equivalents totaled \$394,584 (Book Balance) and \$400,798 (Bank Balance). The composition of these accounts is as follows:

	Book Balance	Bank Balance
Demand Deposits -		
Non-Interest Bearing	\$ 13,872	\$ 27,831
Interest Bearing Checking and Certificates of Deposit	380,562	372,967
Petty Cash	150	-
Total Cash	\$ 394,584	\$ 400,798

Under state law, these deposits must be secured by Federal Deposit Insurance or the pledge of securities owned by the bank. The securities pledged are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At May 31, 2004, all deposits with financial institutions were fully covered by federal deposit insurance and pledged securities. A detailed analysis of this coverage is as follows:

Total cash at May 31, 2004 (Bank Balance)	\$ 400,798
Less: FDIC coverage	(127,831)
Subtotal	272,967
Less: Securities pledged to Town but held in the name of the bank - (uncollateralized - GASB Category 3)	(1,124,605)
Excess of FDIC insurance and pledged securities	\$ (851,638)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana law 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 pledging bank has failed to pay deposited funds upon demand.

TOWN OF BOYCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
May 31, 2004

NOTE 3 - REVENUE RECOGNITION - 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 Town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

For the year ended May 31, 2004, taxes of 5.89 mills totaling \$10,340 were levied on property and were dedicated to general corporate purposes. There were no material amounts of taxes receivable at May 31, 2004.

NOTE 4 - RECEIVABLES

The receivables at May 31, 2004, are as follows:

	General	Enterprise	Total
Charges for services	\$ 7,753	\$ 105,630	\$ 113,383
Other	26,862	---	26,862
Less: allowance for uncollectibles	(233)	(3,170)	(3,403)
Totals	\$ 34,382	\$ 102,460	\$ 136,842

NOTE 5 - GENERAL FIXED ASSETS

A summary of changes in general fixed assets, at cost, follows:

	Balance May 31, 2003	Additions	Deletions	Balance May 31, 2004
Land	\$ 170,007	\$ ---	\$ ---	\$ 170,007
Buildings	645,176	---	---	645,176
Improvements	1,300,796	---	---	1,300,796
Equipment	253,719	9,160	---	262,879
Vehicles	214,441	---	---	214,441
	\$ 2,584,139	\$ 9,160	\$ ---	\$ 2,593,299

NOTE 6 - PROPERTY AND EQUIPMENT

A summary of the property and equipment in the Enterprise Funds at May 31, 2004, consists of the following:

	Gas	Lights	Water	Sewer	Combining Total
Land	\$ 3,127	\$ ---	\$ 9,210	\$ ---	\$ 12,337
Building	3,193	10,667	---	---	13,860
Distribution System	317,114	544,541	1,305,364	843,345	3,010,364
Equipment	50,697	38,667	25,198	4,956	119,518

TOWN OF BOYCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
May 31, 2004

Vehicles	10,388	214,824	---	---	225,212
Water Wells	---	---	220,131	---	220,131
Subtotal	384,519	808,699	1,559,903	848,301	3,601,422
Less: Accumulated Depreciation	290,410	397,614	786,888	197,949	1,672,861
Net Property and Equipment	\$ 94,109	\$ 411,085	\$ 773,015	\$ 650,352	\$ 1,928,561

Depreciation expense for the year totaled \$140,155 with \$9,557 relating to the Natural Gas System Fund, \$43,409 relating to the Lights Fund, \$53,139 relating to the Water Fund, and \$34,050 relating to the Sewer Fund.

NOTE 7 - LONG-TERM DEBT

The Town's long-term debt is summarized as follows:

	Proprietary Fund	General Long-Term Debt	Total
Revenue bonds payable	\$ 387,384	\$ ----	\$ 387,384
Certificates of indebtedness	215,000	35,000	250,000
Capital lease	66,005	----	66,005
Compensated absences	39,351	15,226	54,577
Total	\$ 707,740	\$ 50,226	\$ 757,966

The following changes occurred in liabilities reported in the General Long-Term Debt Account Group during the year ended May 31, 2004:

	Payable At May 31, 2003	Additions	Deletions	Payable At May 31, 2004
Certificates of indebtedness	\$ 70,000	\$ ----	\$ 35,000	\$ 35,000
Compensated absences	12,729	2,497	---	15,226
Total	\$ 82,729	\$ 2,497	\$ 35,000	\$ 50,226

Certificates of Indebtedness:

The Town has issued certificates which are secured by and payable from a pledge of the excess of annual revenues above statutory, necessary and usual charges incurred by the Town. Certificates of indebtedness outstanding at May 31, 2004, are described as follows:

\$265,000 Certificates of Indebtedness, Series 1994 dated November 8, 1994, bearing interest at a rate of 6.5%. Principal is payable in annual installments ranging from \$20,000 to \$35,000, with the final installment due November 1, 2004. \$ 35,000

\$375,000 Certificates of Indebtedness, Series 1998 dated December 2, 1998, bearing interest at a rate of 5.00%. Principal is payable in annual installments ranging from \$30,000 to \$50,000, with the final

TOWN OF BOYCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
May 31, 2004

installment due November 1, 2008.	215,000
Total Certificates of Indebtedness	\$ 250,000

Revenue Bonds

The Town has issued revenue bonds that are secured by and payable solely from a pledge of funds generated by a specific revenue source. Revenue bonds outstanding at May 31, 2004, are described as follows:

\$428,100 Utilities Revenue Bonds Series 1994, dated March 14, 1995, with an effective rate of interest of 5.125% to maturity. The bonds mature serially on the 14th of each month in amounts ranging from \$291 to \$2,253. Final maturity is scheduled for March 14, 2034, unless the Town elects to redeem the bonds prior to maturity.	\$ 387,384
Total	387,384
Less: Current portion of long-term debt	5,709
Total Revenue Bonds	\$ 381,675

Capital Lease

The Town has acquired equipment by entering into a capital lease arrangement. For financial reporting purposes, minimum lease payments relating to leased equipment have been capitalized. The leased property is reported by the lights fund at its original cost. Capital lease obligations outstanding at May 31, 2004, are described as follows:

Lease agreement dated December, 2002 executed in exchange for a bucket truck, with an original balance of \$80,557, bearing interest at a rate of 5.680%, payable in 84 monthly installments of \$1,159.	\$ 66,005
Total Capital Lease	\$ 66,005

Maturity of Long-Term Debt

A schedule of maturities of long-term debt is presented as follows:

Year Ended May 31 st	Proprietary Fund Obligations		General Long-term Debt	
	Principal	Interest	Principal	Interest
2005	\$ 55,848	\$ 33,241	\$ 35,000	\$ 1,138
2006	56,803	30,284	----	----
2007	57,816	27,270	----	----
2008	63,893	24,069	----	----
2009	70,035	20,553	----	----
2010-2014	49,245	86,335	----	----
2015-2019	52,863	74,282	----	----

TOWN OF BOYCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
May 31, 2004

	<u>Proprietary Fund Obligations</u>		<u>General Long-term Debt</u>	
2020-2024	68,267	58,878	----	----
2025-2029	88,158	38,988	----	----
2030-2034	<u>105,461</u>	<u>13,354</u>	----	----
Total	<u>\$ 668,389</u>	<u>\$ 407,254</u>	<u>\$ 35,000</u>	<u>\$ 1,138</u>

NOTE 8 - GAS CONTRACT

The Town has a long-term contract for the purchase of natural gas with the Louisiana Municipal Natural Gas Purchasing and Distribution Authority. This contract renews every year. There are no minimum payments required under the contract except for amounts of actual delivery, with the rates being adjusted periodically.

NOTE 9 - ELECTRICITY CONTRACT

The Town has a contract with Central Louisiana Electric Company for the purchase of electricity. The contract automatically renews each year. There are no minimum payments required under the contract except amounts for actual delivery, and the rates are adjusted periodically.

NOTE 10 - RISK MANAGEMENT

Town of Boyce is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and participation in a public entity risk pool that operates as a common insurance program. Claims resulting from these risks have historically not exceeded insurance coverage.

NOTE 11 - BOARD MEMBER SALARIES

For the year ended May 31, 2004, the amounts of salaries and wages paid to the Mayor and Board of Aldermen were as follows:

Name	Position	Salary
Julius Patrick, Jr.	Mayor	\$ 7,500
Ezra C. Bobb	Alderman	6,300
Vivian Brossett	Alderman	6,300
Elizabeth Fontenot	Alderman	6,300
Kelvin McCoy	Alderman	6,300
Donald Welch	Alderman	6,300
Total		<u>\$ 39,000</u>

TOWN OF BOYCE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
May 31, 2004

NOTE 12 – CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital:

	Natural Gas System	Lights	Water	Sewer	Total
Balance at May 31, 2003	\$ 5,700	\$ 77,855	\$ 763,519	\$ 709,806	\$ 1,556,880
Additions	----	----	----	----	----
Balance at May 31, 2004	\$ 5,700	\$ 77,855	\$ 763,519	\$ 709,806	\$ 1,556,880

NOTE 13 – RESERVED FUND BALANCES AND RETAINED EARNINGS

Reserves

Reserves represent those portions of governmental fund equity that are not subject to appropriation for expenditure or have been legally segregated for a specific future use. At May 31, 2004, there were no governmental fund balances restricted or segregated for any specific uses.

Restrictions on Retained Earnings

The Town has entered into revenue bond agreements that require funds to be held in restricted bank accounts. Funds on deposit in the restricted bank accounts can only be used under certain circumstances specified by the bond indenture.

The Town has also deposited money into accounts that are designated for refunding customer deposits.

Restricted assets and liabilities payable from these assets are summarized as follows:

	Bond <u>Indenture</u>	<u>Cash</u>	<u>Total</u>
Restricted assets	\$ 72,427	\$ 20,919	\$ 93,346
Liabilities payable from restricted assets	(5,709)	----	(5,709)
Restricted equity	\$ 66,718	\$ 20,919	\$ 87,637

NOTE 14 – DEFICIT FUND BALANCES

The Town has a deficit in unreserved retained earnings of \$368,615 in its water fund and of \$52,623 in its sewer fund. Management anticipates eliminating this deficit either through operations or by operating transfers from other funds.

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October 20, 2004

**INDEPENDENT AUDITORS' 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 Julius Patrick, Jr., Mayor
And the Board of Alderman
Town of Boyce, Louisiana

We have audited the financial statements of the Town of Boyce, Louisiana, as of and for the year ended May 31, 2004, and have issued our report thereon dated October 20, 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 Town of Boyce, Louisiana's general purpose 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 instance of noncompliance that is material to the financial statements and is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Boyce, Louisiana'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

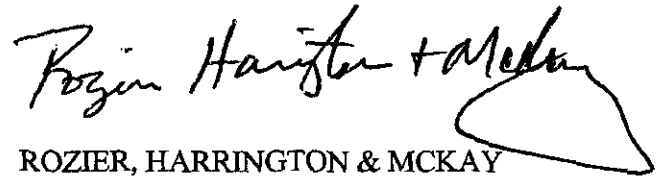
-Members-

American Institute of Certified Public Accountants • Society of Louisiana CPAs

*The Honorable Julius Patrick, Jr., Mayor
And The Board of Alderman
October 20, 2004
Page 2*

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.

This report is intended for the information of management, the Board of Aldermen, 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. However, this report is a matter of public record and its distribution is not limited.


ROZIER, HARRINGTON & MCKAY
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF BOYCE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended May 31, 2004

PART I – SUMMARY OF AUDITORS' RESULTS:

- The Independent Auditor's Report on the financial statements for the Town of Boyce as of May 31, 2004 and for the year then ended expressed an unqualified opinion.
- No reportable conditions were noted in the audit.
- The results of the audit disclosed *no instance of noncompliance* that is considered to be *material to the financial statements of the Town of Boyce*.
- The Town was not required to have a Single Audit; therefore, none of the reporting required by OMB Circular A-133 was required.

PART II – FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

- Not applicable.

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133:

- Not applicable.

**TOWN OF BOYCE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended May 31, 2003**

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
There were no findings in connections with internal control and compliance.	Response - N/A
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
There were no findings in connection with internal control and compliance material to federal awards.	Response - N/A.
SECTION III - MANAGEMENT LETTER	
There was no management letter issued with this report.	Response - N/A.

**TOWN OF BOYCE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended May 31, 2003**

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
<p><u>Finding No. 2003-01, Budget Variances - General Fund</u></p> <p>Actual expenditures plus projected expenditures in the general fund exceeded the variances allowed by state law.</p>	<p><u>Resolved:</u></p> <p>The Town has not violated the provisions of the Local Government Budget Act in the current year. All budget variances were within the tolerances allowed by State Law.</p>
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
<p>There were no findings in connection with internal control and compliance material to federal awards in the prior year.</p>	<p>Response - N/A.</p>
SECTION III - MANAGEMENT LETTER	
<p>There was no management letter issued with the prior year report.</p>	<p>Response - N/A.</p>

TOWN OF BOYCE, LOUISIANA
SUPPLEMENTAL DATA
FOR THE YEAR ENDED MAY 31, 2004

TOWN OF BOYCE, LOUISIANA
GENERAL FUND
Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended May 31, 2004
With Comparative Totals for the Year Ended May 31, 2003

	2004		Variance Favorable (Unfavorable)	2003
	Budget	Actual		Actual
General government:				
<i>Salary - mayor</i>	\$ 7,500	\$ 7,500	\$ -	\$ 7,500
Salaries - aldermen	31,500	31,500	-	27,000
Salaries - office	14,300	14,155	145	5,618
Payroll Taxes	6,700	3,443	3,257	3,069
Telephone	12,200	11,663	537	9,393
Office Supplies	6,300	5,412	888	4,344
Advertising and printing	1,000	1,242	(242)	1,744
Dues	2,000	3,431	(1,431)	2,796
Accounting	5,300	4,632	668	4,428
Legal	5,600	4,224	1,376	1,155
Insurance	15,300	17,788	(2,488)	16,362
Miscellaneous	128,000	48,322	79,678	24,695
Travel and conventions	8,000	12,923	(4,923)	12,353
Capital outlay	12,900	3,560	9,340	84,983
Total general government	256,600	169,795	86,805	205,440
Public safety:				
Police:				
Salaries	125,500	122,349	3,151	130,615
Payroll taxes	-	9,990	(9,990)	9,992
Patrol car expenditures	7,100	10,852	(3,752)	10,893
Uniforms and training	4,000	3,515	485	2,461
Supplies and equipment	5,000	5,633	(633)	6,574
Telephone	8,500	7,716	784	8,245
Capital outlay	6,200	-	6,200	10,545
Police protection - RPSO	-	12,558	(12,558)	9,255
Miscellaneous	5,000	7,089	(2,089)	7,381
Fire protection:				
Truck gas, oil and maintenance	2,000	1,268	732	149
Telephone	840	871	(31)	471
Supplies & other	3,700	2,672	1,028	1,979
Insurance	2,100	1,317	783	1,876
Capital outlay	-	-	-	3,278
Total public safety	169,940	185,830	(15,890)	203,714
Streets and sanitation:				
Salaries	49,200	49,130	70	40,623
Payroll taxes	-	3,720	(3,720)	3,108
Truck and tractor maintenance	14,200	14,948	(748)	16,638
Street maintenance	29,600	23,498	6,102	15,160
Garbage collection	32,400	32,613	(213)	33,240
Supplies	5,500	9,376	(3,876)	5,389
Utilities	-	117	(117)	198
Capital outlay	4,300	5,600	(1,300)	43,737
Total streets and sanitation	135,200	139,002	(3,802)	158,093
Recreation:				
<i>Other recreational expenses</i>	16,000	12,006	3,994	8,992
Total recreation	16,000	12,006	3,994	8,992
Debt service	38,500	38,413	87	35,525
Total expenditures	\$ 616,240	\$ 545,046	\$ 71,194	\$ 611,764

ENTERPRISE FUNDS

Natural Gas Fund - To account for the natural gas services provided to the residents of the Town and certain adjacent areas. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operations, maintenance, billing, and collection.

Lights Fund - To account for electricity services provided to the residents of the Town and certain adjacent areas. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operations, maintenance, billing, and collection.

Water Fund - To account for water services provided to the residents of the Town and certain adjacent areas. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operations, maintenance, billing, and collection.

Sewer Fund - To account for sewerage services provided to the residents of the Town and certain adjacent areas. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operations, maintenance, billing, and collection.

TOWN OF BOYCE, LOUISIANA
ENTERPRISE FUNDS
Combining Balance Sheet
May 31, 2004
 With Comparative Totals for May 31, 2003

<u>Assets</u>	<u>Lights</u>	<u>Natural Gas System</u>	<u>Water</u>	<u>Sewer</u>	<u>Memorandum Totals</u>	
					<u>2004</u>	<u>2003</u>
<u>Current assets:</u>						
Cash and cash equivalents	\$ 95,317	\$ 117,427	\$ 998	\$ 6,166	\$ 219,908	\$ 137,194
Receivables, net of allowance for doubtful accounts	65,660	14,121	12,499	10,180	102,460	107,219
Total current assets	160,977	131,548	13,497	16,346	322,368	244,413
<u>Restricted assets:</u>						
Cash and cash equivalents						
Restricted cash	-	-	-	20,919	20,919	139,585
Bond reserves	-	-	24,427	48,000	72,427	97,514
Total restricted assets	-	-	24,427	68,919	93,346	237,099
<u>Property and equipment:</u>						
Fixed assets net of acc. depreciation	411,085	94,109	773,015	650,352	1,928,561	2,068,714
Total assets	\$ 572,062	\$ 225,657	\$ 810,939	\$ 735,617	\$ 2,344,275	\$ 2,550,226
<u>Liabilities and fund equity</u>						
<u>Current liabilities:</u>						
Accounts payable	\$ 37,914	\$ 7,199	\$ 1,058	\$ 643	\$ 46,814	\$ 49,334
Compensated absences payable	10,802	10,802	8,875	8,872	39,351	30,271
Total current liabilities	48,716	18,001	9,933	9,515	86,165	79,605
<u>Liabilities payable from restricted assets:</u>						
Revenue bonds payable	-	-	5,709	-	5,709	5,424
<u>Other liabilities:</u>						
Deposits due others	58,153	39,686	-	-	97,839	101,544
Revenue bonds payable	-	-	381,675	-	381,675	387,384
Certificates of indebtedness	215,000	-	-	-	215,000	250,000
Capital lease	66,005	-	-	-	66,005	75,527
Total liabilities	387,874	57,687	397,317	9,515	852,393	899,484
<u>Fund equity:</u>						
Contributed Capital	77,855	5,700	763,519	709,806	1,556,880	1,556,880
Retained earnings:						
Unreserved	106,333	162,270	(368,615)	(52,623)	(152,635)	(36,269)
Reserved	-	-	18,718	68,919	87,637	130,131
Total fund equity	184,188	167,970	413,622	726,102	1,491,882	1,650,742
Total liabilities and fund equity	\$ 572,062	\$ 225,657	\$ 810,939	\$ 735,617	\$ 2,344,275	\$ 2,550,226

TOWN OF BOYCE, LOUISIANA
ENTERPRISE FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Retained Earnings
For the Year Ended May 31, 2004
With Comparative Totals for May 31, 2003

	Lights	Natural Gas System	Water	Sewer	Memorandum Total	
					2004	2003
Operating revenues:						
Charges for services	\$ 629,557	\$ 313,566	\$ 121,159	\$ 98,093	\$ 1,162,375	\$ 1,077,076
Delinquent charges	14,320	6,886	4,202	2,555	27,963	26,842
Other operating revenues	6,379	4,046	1,419	306	12,150	8,805
Total operating revenues	650,256	324,498	126,780	100,954	1,202,488	1,112,723
Operating expenses:						
Salaries - operating	36,900	55,418	30,862	24,109	147,289	130,813
Salaries - clerical	14,612	14,612	14,612	14,612	58,448	63,443
Maintenance supplies	4,962	2,326	4,274	2,497	14,059	26,286
Electricity purchased	492,586	416	9,454	3,653	506,109	470,165
Natural gas purchased	-	179,262	-	-	179,262	152,397
Truck expense	1,483	2,083	-	-	3,566	5,769
Water testing	-	-	803	-	803	974
Repairs	1,477	2,322	5,219	6,961	15,979	17,675
Legal and professional	5,461	5,358	4,927	1,878	17,624	17,512
Payroll taxes	3,741	5,142	3,291	2,773	14,947	15,254
Insurance	16,362	16,497	16,502	15,749	65,110	56,890
Depreciation	43,409	9,557	53,139	34,050	140,155	133,631
Other	11,341	9,733	10,649	6,387	38,110	32,798
Total operating expenses	632,334	302,726	153,732	112,669	1,201,461	1,123,607
Operating income (loss)	17,922	21,772	(26,952)	(11,715)	1,027	(10,884)
Non-operating revenues (expenses):						
Interest income	1,090	1,386	278	710	3,464	6,366
Interest expense	(16,013)	-	(20,006)	-	(36,019)	(35,567)
Total non-operating revenues	(14,923)	1,386	(19,728)	710	(32,555)	(29,201)
Income (loss) before operating transfers	2,999	23,158	(46,680)	(11,005)	(31,528)	(40,085)
Operating transfers in (out):						
Operating transfers out	(91,142)	(130,974)	(10,708)	(23,126)	(255,950)	(219,658)
Operating transfers in	58,800	61,518	6,000	2,300	128,618	137,700
Total transfers in (out)	(32,342)	(69,456)	(4,708)	(20,826)	(127,332)	(81,958)
Net income (loss)	(29,343)	(46,298)	(51,388)	(31,831)	(158,860)	(122,043)
Retained earnings, beginning of year	135,676	208,568	(298,509)	48,127	93,862	215,905
Retained earnings, end of year	\$ 106,333	\$ 162,270	\$ (349,897)	\$ 16,296	\$ (64,998)	\$ 93,862