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TOWN OF WOODWORTH, LOUISIANA
ANNUAL FINANCIAL REPORT
MAY 31, 2004

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Release Date 12-15-04

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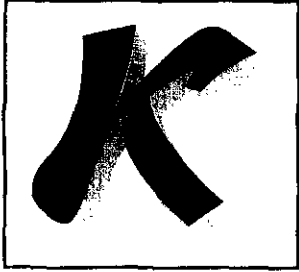
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FINANCIAL SECTION



Roland D. Kraushaar
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

Honorable David C. Butler II, Mayor
and Members of the Board of Aldermen
Town of Woodworth, Louisiana

I have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Woodworth, Louisiana, as of May 31, 2004, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Town of Woodworth, Louisiana's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the Standards applicable to Financial Audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I *plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

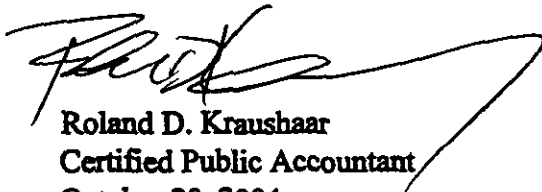
In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Woodworth, Louisiana, as of May 31, 2004, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in my opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of Woodworth, Louisiana, at May 31, 2004, the results of operations of such funds, and the cash flows of the individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated October 20, 2004 on my consideration of the Town of Woodworth's internal control over financial reporting and my test 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 financial information for the preceding year which is included for comparative purposes was taken from the financial statements for that year in which I expressed an unqualified opinion on the general purpose, combining, individual fund and account groups financial statements of the Town of Woodworth, Louisiana.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The information listed as supporting schedules and statistical data in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Town of Woodworth, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.



Roland D. Kraushaar
Certified Public Accountant
October 20, 2004

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS
 MAY 31, 2004
 With Comparative Totals for May 31, 2003

	GOVERNMENTAL			PROPRIETARY	ACCOUNT GROUPS		TOTALS	
	GOVERNMENTAL FUND TYPE			FUND TYPE	GENERAL	GENERAL	(MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECT	ENTERPRISE	FIXED ASSETS	LONG-TERM DEBT	2004	2003
ASSETS								
Cash on hand	\$ 25	\$ -	\$ -	\$ 170	\$ -	\$ -	\$ 195	\$ 175
Cash in checking	108,696	6,371	3,635	141,419	-	-	260,121	218,019
Cash in savings	-	2,663	-	94,489	-	-	97,152	108,693
Due from other funds	377,909	-	-	38,543	-	-	416,452	203,381
Receivables-net of allowances								
Taxes	-	-	-	-	-	-	-	-
Accounts-customers	10,755	-	-	51,109	-	-	61,864	52,557
Other	22,054	5,087	-	185,960	-	-	213,101	351,076
Deposits	30	-	-	-	-	-	30	30
Inventory	2,572	-	-	-	-	-	2,572	1,183
Restricted assets								
Prepaid interest	-	-	-	-	-	-	-	-
Cash in savings	-	-	-	77,711	-	-	77,711	147,044
General fixed assets	-	-	-	3,246,225	-	-	3,246,225	3,207,095
Property, plant & equipment								
Net of accumulated depreciation	-	-	-	6,733,101	-	-	6,733,101	4,167,981
Funds to be provided for retirement of long-term debt from:								
Excess revenue	-	-	-	-	-	125,431	125,431	204,522
TOTAL ASSETS	\$ 522,041	\$ 14,121	\$ 3,635	\$ 10,568,727	\$ -	\$ 125,431	\$ 11,233,955	\$ 8,661,756

	GOVERNMENTAL			PROPRIETARY	ACCOUNT GROUPS		TOTALS	
	GOVERNMENTAL FUND TYPE			FUND TYPE	GENERAL	GENERAL	(MEMORANDUM ONLY)	
	GENERAL	SPECIAL	CAPITAL	ENTERPRISE	FIXED	LONG-TERM	2004	2003
	REVENUE	PROJECT		ASSETS	DEBT			
LIABILITIES								
Accounts payable	\$ 19,439	\$ 589	\$ -	\$ 213,385	\$ -	\$ -	\$ 233,413	\$ 367,707
Payroll tax payable	1	-	-	-	-	-	1	121
Retirement payable	10,056	-	-	-	-	-	10,056	7,679
Due to other funds	-	46,491	5,861	364,100	-	-	416,452	203,381
Certificates of indebtedness	-	-	-	-	-	107,477	107,477	178,230
Capital Lease payable	-	-	-	-	-	17,954	17,954	26,292
Payable from restricted assets								
Revenue bonds	-	-	-	711,974	-	-	711,974	782,000
Accrued interest	-	-	-	2,227	-	-	2,227	7,036
Customers' deposits	4,907	-	-	36,219	-	-	41,126	36,428
Total Liabilities	34,403	47,080	5,861	1,327,905	-	125,431	1,540,680	1,608,874
FUND EQUITY								
Contributions	-	-	-	5,601,658	-	-	5,601,658	3,203,612
Investment in general fixed assets	-	-	-	-	3,246,225	-	3,246,225	3,207,095
Retained earnings								
Reserved for bond retirement	-	-	-	18,378	-	-	18,378	85,645
Reserved for bond contingency	-	-	-	14,075	-	-	14,075	20,257
Unreserved	-	-	-	360,486	-	-	360,486	278,999
Fund Balance								
Reserved for construction	-	-	-	-	-	-	-	-
Unreserved	487,638	(32,959)	(2,226)	-	-	-	452,453	257,274
Total fund equity	487,638	(32,959)	(2,226)	5,994,597	3,246,225	-	9,693,275	7,052,882
and other credits	487,638	(32,959)	(2,226)	5,994,597	3,246,225	-	9,693,275	7,052,882
TOTAL LIABILITIES AND FUND EQUITY AND OTHER CREDITS	\$ 522,041	\$ 14,121	\$ 3,635	\$ 7,322,502	\$ 3,246,225	\$ 125,431	\$ 11,233,955	\$ 8,661,756

TOWN OF WOODWORTH, LOUISIANA

Exhibit 2

**COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE-ALL GOVERNMENTAL FUND TYPES
Years Ended May 31, 2004 and 2003**

	GENERAL	SPECIAL	CAPITAL	TOTALS	
	FUND	REVENUE	PROJECTS	2004	2003
REVENUE					
Taxes	\$ 95,106	\$ 83,218	\$ -	\$ 178,324	\$ 199,164
Licenses and permits	98,288	-	-	98,288	75,748
Intergovernmental	118,943	3,273	170,178	292,394	1,491,872
Charges for services	76,740	-	-	76,740	66,040
Court revenues	774,822	-	-	774,822	685,046
Miscellaneous	18,396	29	-	18,425	21,997
Total revenue	1,182,295	86,520	170,178	1,438,993	2,499,867
EXPENDITURES					
Current:					
General government	341,601	-	-	341,601	290,160
Public safety					
Police	299,272	-	-	299,272	378,907
Fire	33,907	48,217	-	82,124	118,789
Street and drainage	194,319	-	-	194,319	111,465
Sanitation	51,903	-	-	51,903	50,387
Recreation	3,344	-	-	3,344	12,112
Capital Outlay	-	-	170,246	170,246	1,351,253
Total expenditures	924,346	48,217	170,246	1,142,809	2,313,074
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES					
	257,949	38,303	(68)	296,184	186,793
OTHER FINANCING SOURCES (USES)					
Operating transfers-in	17,588	-	-	17,588	13,799
Operating transfers-out	(10,685)	-	-	(10,685)	(13,532)
Capital transfers	(21,554)	-	-	(21,554)	-
Sale of Assets	-	-	-	-	31,875
Adjustment on Construction Contract	-	-	-	-	22,654
Certificates of Indebtedness-					
Rapides Finance Loan	-	(70,753)	-	(70,753)	-
Capital Lease	-	(5,939)	-	-	-
Debt service					
Principal	(8,338)	-	-	(8,338)	(73,474)
Interest	(1,323)	-	-	(1,323)	(11,140)
Total other financing sources (uses)	(24,312)	(76,692)	-	(101,004)	(79,818)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES					
	233,637	(38,389)	(68)	195,180	156,975
FUND BALANCE, Beginning of year					
	254,001	5,430	(2,158)	257,273	100,298
FUND BALANCE, End of year					
	\$ 487,638	\$ (32,959)	\$ (2,226)	\$ 452,453	\$ 257,273

See Notes to Financial Statements.

TOWN OF WOODWORTH, LOUISIANA
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE-BUDGET (GAAP BASIS) AND
ACTUAL-GOVERNMENTAL FUND TYPE
Year Ended May 31, 2004

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUE						
Taxes	\$ 93,992	\$ 95,106	\$ 1,114	\$ 94,596	\$ 83,218	\$ (11,378)
Licenses and permits	81,770	98,288	16,518	-	-	-
Intergovernmental	119,664	118,943	(721)	3,273	3,273	-
Charges for services	78,073	76,740	(1,333)	-	-	-
Court revenues	785,675	774,822	(10,853)	-	-	-
Miscellaneous	18,582	18,396	(186)	29	29	-
Total revenue	1,177,756	1,182,295	4,539	97,898	86,520	(11,378)
EXPENDITURES						
Current:						
General government	336,260	341,601	(5,341)	-	-	-
Public safety:						
Police department	301,060	299,272	1,788	-	-	-
Fire department	33,658	33,907	(249)	38,617	48,217	(9,600)
Streets and drainage	191,877	194,319	(2,442)	-	-	-
Sanitation	50,395	51,903	(1,508)	-	-	-
Recreation	3,416	3,344	72	-	-	-
Total expenditures	916,666	924,346	(7,680)	38,617	48,217	(9,600)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	261,090	257,949	(3,141)	59,281	38,303	(20,978)
OTHER FINANCING SOURCES (USES)						
Operating transfers in/(out)	19,663	6,903	(12,760)	-	-	-
Capital transfers in/(out)	(21,554)	(21,554)	-	-	-	-
Debt service	(9,660)	(9,661)	(1)	(72,647)	(76,692)	(4,045)
Total other financing sources (uses)	(11,551)	(24,312)	(12,761)	(72,647)	(76,692)	(4,045)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	249,539	233,637	(15,902)	(13,366)	(38,389)	(25,025)
FUND BALANCE, Beginning of year	254,001	254,001	-	5,430	5,430	-
FUND BALANCE, End of year	\$ 503,540	\$ 487,638	\$ (15,902)	\$ (7,936)	\$ (32,959)	\$ (25,025)

See Notes to Financial Statements

TOWN OF WOODWORTH, LOUISIANA

Exhibit 4

**COMBINED STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN RETAINED EARNINGS-ALL PROPRIETARY FUND TYPES**
Year Ended May 31, 2004
With Comparative Totals for Year Ended May 31, 2003

	ENTERPRISE			TOTALS	
	GAS	WATER	SEWER	2004	2003
OPERATING REVENUE					
Charges for services	\$ 255,445	\$ 138,434	\$ 126,763	\$ 520,642	\$ 448,166
Fire hydrant rental	-	9,100	-	9,100	9,100
Connection fees	9,757	14,498	6,350	30,605	13,340
Fees/charges	2,094	2,143	1,495	5,732	5,956
Miscellaneous	275	277	77	629	935
Total operating revenue	<u>267,571</u>	<u>164,452</u>	<u>134,685</u>	<u>566,708</u>	<u>477,497</u>
OPERATING EXPENSES					
Gas/Water purchased	149,084	2,410	-	151,494	148,738
Engineering	3,699	-	-	3,699	2,360
Salaries	36,546	36,546	36,546	109,638	84,428
Retirement	3,640	3,640	3,641	10,921	6,022
Payroll Taxes	584	584	560	1,728	1,082
Office supplies	-	1,037	193	1,230	1,367
Postage	741	-	741	1,482	2,102
Repairs and maintenance	1,374	1,833	3,745	6,952	15,141
Consulting fees	-	-	-	-	16,815
Insurance	4,428	6,016	8,241	18,685	7,306
Audit and accounting	6,500	6,500	6,500	19,500	16,000
Bad debts (net of recoveries)	-	-	-	-	-
Rent on sewer ponds	-	-	-	-	36,513
Dues and subscriptions	50	200	-	250	200
Leak test	4,835	-	243	5,078	-
Fuel - truck expense	1,556	1,557	2,347	5,460	2,015
Supplies	16,121	23,303	25,083	64,507	35,625
Small tools	85	85	1,926	2,096	811
Utilities	1,099	4,916	19,288	25,303	10,706
Miscellaneous	3,252	5,830	10,137	19,219	19,139
Depreciation	35,538	74,306	135,894	245,738	121,097
Total operating expenses	<u>269,132</u>	<u>168,763</u>	<u>255,085</u>	<u>692,980</u>	<u>527,467</u>
NET INCOME (LOSS) FROM OPERATIONS	<u>(1,561)</u>	<u>(4,311)</u>	<u>(120,400)</u>	<u>(126,272)</u>	<u>(49,970)</u>
NON-OPERATING REVENUE (EXPENSES)					
Interest earned	1,354	307	77	1,738	4,024
Interest expense	(1,440)	(3,445)	(31,148)	(36,033)	(37,703)
Total non-operating revenue (expense)	<u>(86)</u>	<u>(3,138)</u>	<u>(31,071)</u>	<u>(34,295)</u>	<u>(33,679)</u>
NET INCOME BEFORE OPERATING TRANSFER	<u>(1,647)</u>	<u>(7,449)</u>	<u>(151,471)</u>	<u>(160,567)</u>	<u>(83,649)</u>
Transfers (to)/from General Fund	<u>7,555</u>	<u>(8,814)</u>	<u>(8,774)</u>	<u>(10,033)</u>	<u>(3,832)</u>
NET INCOME (LOSS)	<u>5,908</u>	<u>(16,263)</u>	<u>(160,245)</u>	<u>(170,600)</u>	<u>(89,481)</u>
Add Depreciation on Fixed Assets acquired by Capital Grants that reduce contributed capital from Capital Grants	<u>15,015</u>	<u>47,362</u>	<u>116,261</u>	<u>178,638</u>	<u>74,008</u>
Net increase (decrease) in Retained Earnings	<u>20,923</u>	<u>31,099</u>	<u>(43,984)</u>	<u>8,038</u>	<u>(15,473)</u>
RETAINED EARNINGS, Beginning of year	<u>160,408</u>	<u>276,400</u>	<u>(51,907)</u>	<u>384,901</u>	<u>400,374</u>
RETAINED EARNINGS, End of year	<u>\$ 181,331</u>	<u>\$ 307,499</u>	<u>\$ (95,891)</u>	<u>\$ 392,939</u>	<u>\$ 384,901</u>

See Notes to Financial Statements.

TOWN OF WOODWORTH, LOUISIANA

Exhibit 5

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
Year Ended May 31, 2004
With Comparative Totals for Year Ended May 31, 2003

	GAS	WATER	SEWER	TOTALS	
				2004	2003
Cash flows from operating activities:					
Cash received for services	\$ 252,842	\$ 142,547	\$ 122,094	\$ 517,483	\$ 431,581
Other cash receipts	12,126	26,018	7,922	46,066	29,331
Cash payments for goods and services	(189,933)	(57,830)	(87,117)	(334,880)	(320,339)
Cash payments to employees	(36,546)	(36,546)	(36,546)	(109,638)	(84,428)
Net cash provided (used) by operating activities	<u>38,489</u>	<u>74,189</u>	<u>6,353</u>	<u>119,031</u>	<u>56,145</u>
Cash flows from non-capital financing activities:					
Operating transfers (to) from: General Fund	7,555	(8,814)	(8,774)	(10,033)	(5,832)
Loans and advances (to) from other funds	37,969	24,802	143,701	206,472	297,123
(Increase) decrease in grants receivable	(109,379)	(76,128)	142,693	(42,814)	(142,693)
Increase (decrease) in Customers Deposits	1,365	1,300	1,633	4,298	4,640
Net cash provided (used) by non-capital financing activities	<u>(62,490)</u>	<u>(58,840)</u>	<u>279,253</u>	<u>157,923</u>	<u>153,238</u>
Cash flows from capital and related financing activities:					
Capital contributions from:					
LCDBG	-	-	496,638	496,638	-
Individuals	-	-	-	-	390,000
General fund	-	-	24,684	24,684	47,331
La Capital Outlay Fund	-	-	819,215	819,215	945,994
RJS	-	-	252,211	252,211	213,859
La Dept of Transportation	598,613	385,326	-	-	-
Payment of Revenue Bonds	(64,000)	(3,000)	(1,026)	(70,026)	(14,000)
Increase (decrease) in contracts payable	116,257	80,827	(142,692)	54,392	(45,766)
Payment of interest on Revenue Bonds	(1,440)	(3,549)	(35,853)	(40,842)	(36,121)
Construction in progress	-	-	2,109,022	2,109,022	(1,047,905)
Purchase of Land, Building & Equipment	(24,746)	(24,782)	(83,987)	(133,515)	(125,028)
Improvements and extensions to distribution system	(598,613)	(432,047)	(3,752,211)	(4,782,871)	(470,632)
Net cash provided (used) by capital and related activities	<u>26,071</u>	<u>775</u>	<u>(315,999)</u>	<u>(1,273,092)</u>	<u>(142,268)</u>
Cash flows from investment activities:					
Receipt of interest on savings and bank CD's	1,362	315	77	1,754	4,075
Net cash provided (used) by investment activities	<u>1,362</u>	<u>315</u>	<u>77</u>	<u>1,754</u>	<u>4,075</u>
Net increase (decrease) in cash	3,432	16,439	(30,316)	(10,445)	71,190
Cash balance beginning:	168,874	100,330	55,030	324,234	253,044
Cash balance ending:	<u>\$ 172,306</u>	<u>\$ 116,769</u>	<u>\$ 24,714</u>	<u>\$ 313,789</u>	<u>\$ 324,234</u>
Reconciliation of Operating Income to cash provided (used) by operating activities:					
Operating Income (Loss)	\$ (1,561)	\$ (4,311)	\$ (120,400)	(126,272)	(49,970)
Adjustments to reconcile Operating Income to net cash provided (used) by operating activities:					
Depreciation expense	34,041	74,306	135,894	244,241	121,897
(Increase) Decrease in Accounts Receivable	(2,603)	4,213	(4,669)	(3,159)	(16,585)
Increase (Decrease) in Accounts Payable	8,612	81	(4,672)	4,221	1,683
Net cash provided (used) by operating activities	<u>\$ 38,489</u>	<u>\$ 74,189</u>	<u>\$ 6,353</u>	<u>\$ 119,031</u>	<u>\$ 56,145</u>

See Notes to Financial Statements.

TOWN OF WOODWORTH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

The accounting methods and procedures adopted by the Town of Woodworth, Louisiana, conform to generally accepted accounting principles as applied to governmental entities. Such accounting methods and procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Municipal Audit and Accounting Guide*, and the industry audit guide, *Audits of State and Local Governmental Units*. The following notes to the financial statements are an integral part of the Town's Annual Financial Report.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

The Town of Woodworth, Louisiana was incorporated on June 26, 1942, under the provisions of the Lawrason Act. The Town operates under an elected Mayor-Board of Aldermen form of government and provides the following services as authorized by its charter: Public safety (Police and Fire), street, sanitation, public utilities and general administrative services.

As required by generally accepted accounting principles, the financial statements of the reporting entity include all funds and account groups of the Town of Woodworth. The Town does not have any component units that meet criteria of GASB 14 to be included as component units.

B. FUNDS AND ACCOUNT GROUPS

The accounts of the Town are organized into funds and account groups, each of which is considered to be a separate accounting entity. The major fund categories and account groups are:

Governmental Fund Type

Governmental funds use the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period.

Proprietary Fund Types

Proprietary funds use the economic resources measurement focus. The accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into contributed capital and retained earnings. The Town applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund.

Account Groups

The account groups are used to account for fixed assets and long-term liabilities which are not reported in the respective governmental funds.

TOWN OF WOODWORTH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

(Continued)

C.1. MODIFIED ACCRUAL BASIS OF ACCOUNTING

The Town uses the modified accrual basis of accounting for governmental fund types. The modified *accrual basis of accounting recognized revenues when both "measurable and available"* Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditure in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, property taxes, franchise fees, intergovernmental revenues, and investment income. See note 4 for property tax information.

2. ACCRUAL BASIS OF ACCOUNTING

The accrual basis of accounting is used in proprietary fund types. The accrual basis of accounting *recognizes revenues when earned. Expenses are recorded when incurred.*

D. BUDGETS

Budgets are adopted on a basis consistent with *generally accepted accounting principles (GAAP)*. Annual appropriated budgets are adopted for the general fund and the special revenue fund. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds.

Encumbrances are not used by the Town of Woodworth.

E. CASH

Cash includes amounts in demand deposits as well as savings accounts and certificates of deposit.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, or other instruments *backed by the U.S. Treasury.*

Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments, i.e. cash in checking and savings accounts and bank certificates of deposits, to be cash equivalents.

TOWN OF WOODWORTH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

(Continued)

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/ payables."

G. INVENTORIES

With the exception of bulk gas and oil, purchases of various operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

H. RESTRICTED ASSETS

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond sinking fund" is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond reserve fund" is used to report resources set aside to make up potential future deficiencies in the revenue bond sinking fund. The "revenue bond contingency fund" is used to report resources set aside to meet unexpected contingencies or to fund renewals and replacements.

I. FIXED ASSETS

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in the governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical record exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the Town.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment, lines and vehicles in the proprietary fund types is computed using the straight-line method.

TOWN OF WOODWORTH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

(Continued)

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

J. COMPENSATED ABSENCES

The vested or accumulated vacation leave of the Town of Woodworth's employees has not been recorded. The amount of accumulated benefits in excess of one year's normal amount would be immaterial. The maximum amount of unused vacation time which may be carried over at the end of any year is five days.

In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

K. LONG-TERM OBLIGATIONS

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

L. FUND EQUITY-DEFICIT RETAINED EARNINGS

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Depreciation on contributed assets is charged against the contributed capital accounts upon closing of the books at year-end.

Sewer System Fund's deficit balance is the result of being in the early stages of operations; revenues were inadequate to cover expenses. Deficit retained earnings are more than offset by contributed capital.

M. 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.

TOWN OF WOODWORTH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

(Continued)

All other interfund transactions, except Quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. MEMORANDUM ONLY - TOTAL COLUMNS

Total columns on the combined statements overview are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or statement of 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.

O. 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, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

P. BAD DEBTS AND ALLOWANCES

Uncollectible amounts due for ad valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. As of May 31, 2004, the Town established an allowance for uncollectible property taxes of \$ 4,433.

Uncollectible amounts due for customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

NOTE 2. BUDGETS AND BUDGETARY ACCOUNTING

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

1. The Mayor prepares a proposed budget and submits same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

TOWN OF WOODWORTH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

(Continued)

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenue exceeding amounts estimated require the approval of the Board of Aldermen.

6. All budgetary appropriations lapse at the end of each fiscal year.

7. Budgets for the General Fund and the Special Revenue 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 Board of Aldermen. Such amendments were not material in relation to the original appropriations.

NOTE 3. DEPOSITS

The Town of Woodworth maintains cash in various checking, savings and certificates of deposit. At year-end, the carrying amount of the Town's deposits were \$ 435,147 and the bank balance was \$ 452,699. Of the bank balance, \$452,699 was covered by federal depository insurance or by collateral pledged by the bank and held in trust by the Federal Reserve Bank of New Orleans.

NOTE 4. AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayer in November. Billed taxes become delinquent on January 1 of the following year. Revenue from ad valorem taxes are budgeted in the year billed.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Rapides Parish.

Total taxes levied were \$24,745. Taxes receivable at May 31, 2004 consisted of \$ 4,433 of which \$ 858 was on the current roll.

TOWN OF WOODWORTH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

(Continued)

NOTE 5. INTERFUND RECEIVABLE AND PAYABLE BALANCES WERE AS FOLLOWS
AS OF May 31, 2004:

Fund	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Natural Gas System	\$111,637	-
Water System	17,328	-
Sewer System	209,349	-
Special Revenue Fund	36,206	-
Sewer Construction Fund	3,389	-
Special Revenue Fund:		
General Fund	-	36,206
Water System	-	10,285
Enterprise Fund:		
Natural Gas System		
General Fund	-	111,637
Water System	-	15,001
Sewer System	476	-
Water System		
General Fund	-	17,328
Natural Gas System	15,001	-
Sewer System	10,310	-
Special Revenue Fund	10,285	-
Sewer System		
General Fund	-	209,349
Gas System	-	476
Water System	-	10,310
Capital Projects Fund	2,472	-
Capital Projects Fund:		
General Fund	-	3,389
Sewer System	-	2,472
TOTALS	<u>\$416,453</u>	<u>\$416,453</u>

NOTE 6. SALES TAX REVENUE

The Town receives .164 % of the parish-wide sales tax. The proceeds of the sales tax are to be used for any lawful corporate purpose.

On April 5, 1997 the voters of Woodworth passed a one percent (1%) sales and use tax for acquiring, constructing, improving, maintaining and operating the Town's Fire Protection facilities, vehicles and equipment.

TOWN OF WOODWORTH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

(Continued)

NOTE 7. FIXED ASSETS

A summary of changes in General Fixed Assets follows:

	Balance <u>May 31, 2003</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>May 31, 2004</u>
General and Administrative				
Land	\$ 52,366	\$ -	\$ -	\$ 52,366
Buildings	873,292	-	-	873,292
Building Improvements	10,562	-	-	10,562
Site work, Fences, etc.	13,928	-	-	13,928
Furniture & Fixtures	14,757	-	-	14,757
Automobiles	19,794	-	-	19,794
Service Equipment	4,014	1,143	-	5,157
Office equipment	7,591	-	-	7,591
Miscellaneous	3,095	-	-	3,095
Police Department				
Furniture & Fixtures	4,754	-	-	4,754
Police Cars	112,239	28,447	33,637	107,049
Service Equipment	82,257	10,864	-	93,121
Office Equipment	32,761	949	-	33,710
Miscellaneous	1,797	-	-	1,797
Fire Department				
Land	40,280	-	-	40,280
Buildings	913,304	4,483	-	917,787
Fire Trucks	458,057	-	-	458,057
Service Equipment	34,959	-	-	34,959
Furniture & Fixtures	24,944	-	-	24,944
Miscellaneous	37,669	-	-	37,669
Street & Drainage Department				
Trucks	83,748	-	-	83,748
Service Equipment	13,961	-	-	13,961
Machinery & Equipment	100,011	62,552	35,671	126,892
Miscellaneous	5,081	-	-	5,081
Recreation Department				
Land	32,949	-	-	32,949
Buildings	63,849	-	-	63,849
Machinery & Equipment	11,434	-	-	11,434
Miscellaneous	153,642	-	-	153,642
Totals	\$ 3,207,095	\$ 108,438	\$ 69,308	\$ 3,246,225

TOWN OF WOODWORTH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

(Continued)

The following is a summary of proprietary fund fixed assets at May 31, 2004:

	<u>Enterprise Funds</u>			
	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Land	\$ -	\$ -	\$ 78,891	\$ 78,891
Buildings	65,762	61,794	78,699	206,255
Transportation Equipment	32,300	32,300	9,710	74,310
Service Equipment	65,611	60,041	25,297	150,949
Office equipment	170	170	2,317	2,657
Distribution System	772,916	1,708,176	4,221,596	6,702,688
Construction in Progress	598,613	413,402	-	1,012,015
Less: accumulated depreciation	<u>(477,673)</u>	<u>(864,489)</u>	<u>(152,502)</u>	<u>(1,494,664)</u>
Net fixed assets	<u>\$1,057,699</u>	<u>\$1,411,394</u>	<u>\$4,264,008</u>	<u>\$6733,101</u>

In enterprise funds, the following estimated useful lives are used to compute depreciation:

Buildings	10-20 years
Transportation equipment	5-10 years
Service equipment	5-10 years
Office equipment	7 years
Distribution system	10-50 years

NOTE 8. CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions for the year ended May 31, 2004:

	<u>Utility Revenue</u>	<u>Certificates of Indebtedness</u>	<u>Capital Lease</u>	<u>Totals</u>
Bonds payable June 1, 2003	\$ 782,000	\$ 178,230	\$ 26,292	\$ 986,522
Bonds issued	-	-	-	-
Bonds retired	<u>70,026</u>	<u>70,753</u>	<u>8,338</u>	<u>149,117</u>
Bonds payable May 31, 2004	<u>\$ 711,974</u>	<u>\$ 107,477</u>	<u>\$17,954</u>	<u>\$ 837,405</u>

TOWN OF WOODWORTH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

(Continued)

Bonds payable at May 31, 2004 are comprised of the following individual issues:

Revenue bonds:

\$145,000 1976 Water System Serial Bonds due annually on January 1, in the amounts as indicated below:

Interest at 5%	Remaining Balance	\$66,000
<u>Amount</u>	<u>Year</u>	
5,000	(04-08)	
6,000	(09-12)	
7,000	(13-14)	
8,000	(15)	

\$647,000 2002 Sewer Revenue Bonds due monthly beginning April 26, 2004, in the amount of \$3,073 bearing interest at 4.75 percent.

Remaining balance	\$645,974
Total revenue bonds outstanding May 31, 2004	\$711,974

CERTIFICATES IF INDEBTEDNESS

The Town is obligated under Certificates of Indebtedness to the Rapides Finance Authority for the construction of the new fire station. The Certificates in the original amounts of \$200,000 payable monthly in the amount of \$2,073 per month beginning February 2, 2002 and bearing interest at 4.5 percent.

Total certificates of indebtedness outstanding May 31, 2004	\$107,477
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LEASE PAYABLE

The Town is obligated under a Capital Lease to International Finance Group for a dump truck used by the Street Department. The lease in the total amount of \$19,320 payable in the amount of \$9,660 per year for 5 years. Total interest included in the above figures is \$1366.

TOWN OF WOODWORTH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

(Continued)

The annual requirements to amortize all debt outstanding as of May 31, 2004, including interest payments of \$776,733 are as follows:

<u>Year Ending May 31</u>	<u>Revenue Bonds</u>	<u>Certificates of Indebtedness</u>	<u>Capital Lease</u>	<u>Total</u>
2005	45,179	24,873	9,660	79,712
2006	44,929	24,873	9,660	79,462
2007	44,679	24,873	-	69,552
2008	44,429	24,873	-	69,302
2009	45,179	20,246	-	65,425
2010-2014	223,345	-	-	223,345
2015-2019	192,795	-	-	192,795
2020-2024	184,395	-	-	184,395
2025-2029	184,395	-	-	184,395
2030-2034	184,395	-	-	184,395
2035-2039	184,395	-	-	184,395
2040-2042	<u>96,963</u>	<u>-</u>	<u>-</u>	<u>96,963</u>
Totals	<u>\$1,475,078</u>	<u>\$119,738</u>	<u>\$19,320</u>	<u>\$1,614,136</u>

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions.

NOTE 9. PENSION PLAN

Substantially all employees of the Town of Woodworth, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, or Municipal Police Employees Retirement System of Louisiana: These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of plan A.

TOWN OF WOODWORTH, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

(Continued)

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees may retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the Town of Woodworth is required to contribute at an actuarially determined rate. The current rate is 11.0% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active-members of each plan. The contribution requirements of plan members and the Town of Woodworth are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Woodworth's contributions to the System under Plan A for the years ending May 31, 2004, 2003, and 2002 were \$32,111, \$ 20,104, and \$16,003, respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees may retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

TOWN OF WOODWORTH

NOTES TO FINANCIAL STATEMENTS

May 31, 2004

(Continued)

Funding Policy. Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town of Woodworth is required to contribute at an actuarially determined rate. The current rate is 15.5% of the annual covered payroll. The contribution requirements of plan members and the Town of Woodworth are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Woodworth contributions to the system for the years ending May 31, 2004, 2003, and 2002, were \$ 21,210, \$ 12,673, and \$ 10,264 respectively, equal to the required contributions for each year.

NOTE 10. SEGMENT INFORMATION--ENTERPRISE FUNDS

The Town of Woodworth maintains three enterprise funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended May 31, 2004 is presented in Exhibit 4 and Exhibit 5 or below:

	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Total assets	\$1,356,574	\$1,658,036	\$4,307,892	\$4,729,344
Bonds payable	\$ -	\$ 66,000	\$ 645,974	\$ 711,974
Total equity	\$1,083,697	\$1,475,989	\$3,434,911	\$5,994,597

NOTE 11. CONTRIBUTED CAPITAL

Changes in contributed capital is presented below:

	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Contributed capital				
June 1, 2003	\$318,768	\$830,527	\$2,054,317	\$3,203,612
Additions				
Contribution from				
General Fund	-	-	24,684	24,684
La Capital Outlay Fund	-	-	819,215	819,215
RUS	-	-	252,211	252,211
LCDBG	-	-	496,638	496,638
La Dept of Trans.	598,613	385,325	-	983,938
Deductions				
Depreciation charged				
against grants	<u>15,015</u>	<u>47,362</u>	<u>116,262</u>	<u>178,639</u>
Contributed capital				
May 31, 2004	<u>\$902,366</u>	<u>\$1,168,490</u>	<u>\$3,530,803</u>	<u>\$5,601,700</u>

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWN OF WOODWORTH, LOUISIANA

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GENERAL FUND
COMPARATIVE BALANCE SHEET
May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash on hand	\$ 25	\$ 25
Cash in bank-checking	108,696	121,261
Cash in bank-savings	-	10,085
Accrued interest receivable	-	2
Property taxes receivable	4,433	3,770
Allowance for uncollectible taxes	(4,433)	(3,770)
Accounts receivable-services	10,755	4,652
Sales tax receivable	7,262	5,679
Accounts receivable-miscellaneous	14,792	3,487
Due from other funds	377,909	157,364
Inventory	2,572	1,183
Deposits	<u>30</u>	<u>30</u>
 Total Assets	 <u>\$ 522,041</u>	 <u>\$ 303,768</u>
 LIABILITIES		
Accounts payable	\$ 19,439	\$ 20,886
Payroll taxes payable	1	121
Retirement payable	10,056	7,679
Due to other funds	-	16,574
Customer deposits	<u>4,907</u>	<u>4,507</u>
 Total Liabilities	 34,403	 49,767
 FUND BALANCE	 <u>487,638</u>	 <u>254,001</u>
 Total liabilities and fund balance	 <u>\$ 522,041</u>	 <u>\$ 303,768</u>

See Notes to Financial Statements.

TOWN OF WOODWORTH, LOUISIANA

A-2

GENERAL FUND
 STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended May 31, 2004
 With Comparative Actual Amounts for Year Ended May 31, 2003

	2004		Variance	2003
	Budget	Actual	Favorable (Unfavorable)	Actual
REVENUE				
Taxes	\$ 93,992	\$ 95,106	\$ 1,114	\$ 88,037
Licenses and permits	81,770	98,288	16,518	75,748
Intergovernmental	118,664	118,943	(721)	145,646
Charges for services	78,073	76,740	(1,333)	66,040
Court revenue	785,675	774,822	(10,853)	685,046
Miscellaneous	18,582	18,396	(186)	21,960
Total revenue	<u>1,177,756</u>	<u>1,182,295</u>	<u>4,539</u>	<u>1,082,477</u>
EXPENDITURES				
Current:				
General government	336,260	341,601	(5,341)	290,160
Police department	301,060	299,272	1,788	378,907
Fire department	33,658	33,907	(249)	61,648
Streets and drainage	191,877	194,319	(2,442)	111,466
Sanitation	50,395	51,903	(1,508)	58,387
Recreation	3,416	3,344	72	12,112
Total expenditures	<u>916,666</u>	<u>924,346</u>	<u>(7,680)</u>	<u>994,680</u>
EXCESS (DEFICIENCY) OF				
REVENUE OVER EXPENDITURES	<u>261,090</u>	<u>257,949</u>	<u>(3,141)</u>	<u>177,797</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers (to)/from				
Water system	8,641	8,814	173	3,146
Natural Gas System	8,641	(7,555)	(16,196)	2,686
Sewer System	8,641	8,774	133	-
LCDBG Sewer Project	(6,260)	(3,130)	3,130	(13,532)
Capital transfer to sewer system	(21,554)	(21,554)	-	-
Sale of Assets	-	-	-	31,875
Debt service				
Principal	(8,338)	(8,338)	-	(97,025)
Interest	(1,322)	(1,323)	(1)	(2,716)
Adjustment on contract	-	-	-	22,654
Total other sources (uses)	<u>(11,551)</u>	<u>(24,312)</u>	<u>(12,761)</u>	<u>(12,912)</u>
EXCESS (DEFICIENCY) OF				
REVENUE AND OTHER SOURCES				
OVER EXPENDITURES				
AND OTHER USES	<u>249,539</u>	<u>233,637</u>	<u>(15,902)</u>	<u>164,885</u>
FUND BALANCE, Beginning	<u>254,001</u>	<u>254,001</u>	<u>-</u>	<u>89,116</u>
FUND BALANCE, Ending	<u>\$ 503,540</u>	<u>\$ 487,638</u>	<u>\$ (15,902)</u>	<u>\$ 254,001</u>

See Notes to Financial Statements.

TOWN OF WOODWORTH, LOUISIANA

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GENERAL FUND
 COMPARATIVE STATEMENT OF REVENUE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended May 31, 2004
 With Comparative Actual Amounts for Year Ended May 31, 2002

	2004		Variance Favorable (Unfavorable)	2003 Actual
	Budget	Actual		
TAXES				
Sales	\$ 64,745	\$ 70,765	\$ 6,020	\$ 65,311
Ad valorem	<u>29,247</u>	<u>24,341</u>	<u>(4,906)</u>	<u>22,726</u>
Total taxes	<u>93,992</u>	<u>95,106</u>	<u>1,114</u>	<u>88,037</u>
LICENSES AND PERMITS				
Occupational	33,625	53,492	19,867	31,796
Beer and liquor	-	-	-	1,101
Building Permits	1,200	1,350	150	2,079
Franchise fees	<u>46,945</u>	<u>43,446</u>	<u>(3,499)</u>	<u>40,772</u>
Total licenses and permits	<u>81,770</u>	<u>98,288</u>	<u>16,518</u>	<u>75,748</u>
INTERGOVERNMENTAL				
Beer tax	2,400	1,693	(707)	1,486
Police Jury:				
Highway maintenance	115,451	115,451	-	99,700
Law Enforcement	1,813	1,799	(14)	1,994
State of Louisiana:				
Fire Grant	-	-	-	39,188
Robinson Bridge Project	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,278</u>
Total inter-governmental	<u>119,664</u>	<u>118,943</u>	<u>(721)</u>	<u>145,646</u>
CHARGES FOR SERVICES				
Lot cleaning	5,313	5,313	-	-
Garbage pickup	61,810	62,480	670	56,951
Garbage Penalty	950	966	16	1,108
Mowing of State Highway	<u>10,000</u>	<u>7,981</u>	<u>(2,019)</u>	<u>7,981</u>
Total charges for services	<u>78,073</u>	<u>76,740</u>	<u>(1,333)</u>	<u>66,040</u>

TOWN OF WOODWORTH, LOUISIANA

A-3

GENERAL FUND
COMPARATIVE STATEMENT OF REVENUE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended May 31, 2004
With Comparative Actual Amounts for Year Ended May 31, 2003
(Continued)

	2004		Variance Favorable (Unfavorable)	2003 Actual
	Budget	Actual		
COURT REVENUE				
Court Revenues	\$ 784,795	\$ 773,792	\$ (11,003)	\$ 684,771
Court Service Charge	880	1,030	150	275
Total court revenue	<u>785,675</u>	<u>774,822</u>	<u>(10,853)</u>	<u>685,046</u>
MISCELLANEOUS				
Interest income	212	219	7	331
Post office rental	8,520	8,520	-	8,834
Community Center Rental	3,250	3,250	-	3,000
Other	1,080	1,137	57	1,753
Donations - Cemetery	20	20	-	75
W.A.T.C.H.		-	-	1,317
Lease Mercury Mobility	3,600	3,600	-	3,600
Classic Cable Rent	250	-	(250)	500
Cemetery Lots Purchased	1,650	1,650	-	2,550
Total miscellaneous	<u>18,582</u>	<u>18,396</u>	<u>(186)</u>	<u>21,960</u>
TOTAL REVENUE	<u>\$ 1,177,756</u>	<u>\$ 1,182,295</u>	<u>\$ 4,539</u>	<u>\$ 707,006</u>

See Notes to Financial Statements.

TOWN OF WOODWORTH, LOUISIANA
GENERAL FUND

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STATEMENT OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL
Year Ended May 31, 2004

With Comparative Actual Amounts for Year Ended May 31, 2003

	2004		Variance	2003
	Budget	Actual	Favorable (Unfavorable)	Actual
GENERAL GOVERNMENT				
Per diem	\$ 21,650	\$ 21,525	\$ 125	\$ 17,500
Salaries	69,000	69,051	(51)	59,316
Retirement	9,932	10,690	(758)	4,559
Travel expense	647	647	-	805
Office supplies	2,450	2,407	43	3,798
Postage	1,629	1,628	1	1,587
Utilities	38,257	40,439	(2,182)	37,602
Advertising	1,100	779	321	1,474
Animal Control	206	206	-	130
Miscellaneous	29,000	30,172	(1,172)	24,762
Supplies for Community Center	-	-	-	464
Landscape Maintenance	54,758	56,184	(1,426)	6,924
W.A.T.C.H.	804	804	-	1,731
Uniforms	4,664	5,302	(638)	8,584
Dues & subscriptions	276	276	-	492
Legal	473	473	-	5,772
Corner's Fee	400	400	-	1,694
Accounting	6,500	6,500	-	8,000
Automobile expenses	2,732	2,673	59	1,793
Payroll taxes	1,547	1,471	76	2,319
Insurance	9,279	8,737	542	8,226
Health insurance	27,046	27,046	-	44,796
Repairs & maintenance	6,812	6,812	-	20,954
Engineering fees	45,955	21,826	24,129	5,798
Capital outlay	1,143	25,553	(24,410)	21,080
Total general government	<u>336,260</u>	<u>341,601</u>	<u>(5,341)</u>	<u>290,160</u>
PUBLIC SAFETY				
Police:				
Salaries	182,246	182,044	202	177,617
Retirement	28,461	25,668	2,793	15,448
Payroll taxes	3,668	3,749	(81)	2,301
Fuel Expense	11,466	11,738	(272)	10,972
Auto repairs	5,718	5,753	(35)	8,858
Other repairs	956	1,046	(90)	2,815
Insurance	10,662	10,347	315	8,720
Uniforms	4,537	4,537	-	2,764
Office expense & Postage	6,278	6,226	52	6,746
Dues & Subscriptions	100	100	-	-
Outside Magistrate	850	850	-	-
Miscellaneous supplies	5,013	5,596	(583)	8,302
Telephone	4,564	4,228	336	2,872
Housing Persons by RPSO	5,145	5,131	14	2,549
Capital outlay	31,396	32,259	(863)	128,943
Total police	<u>301,060</u>	<u>299,272</u>	<u>1,788</u>	<u>378,907</u>

TOWN OF WOODWORTH, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL
Year Ended May 31, 2004
With Comparative Actual Amounts for Year Ended May 31, 2003
(Continued)

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	2004		Variance Favorable (Unfavorable)	2003 Actual
	Budget	Actual		
Fire:				
Truck operations	\$ -		\$ -	\$ 1,285
Insurance	113	113	-	-
Salaries	30,146	30,348	(202)	28,594
Payroll taxes	399	445	(46)	467
Retirement	3,000	3,001	(1)	4,371
Per Diem	-	-	-	1,245
Utilities	-	-	-	13
Repairs & maintenance	-	-	-	96
Fire hydrant rental	-	-	-	9,100
Miscellaneous expense	-	-	-	120
Capital Outlay	-	-	-	16,357
Total fire	<u>33,658</u>	<u>33,907</u>	<u>(249)</u>	<u>61,648</u>
Total public safety	<u>334,718</u>	<u>333,179</u>	<u>1,539</u>	<u>61,648</u>
STREETS AND DRAINAGE				
Salaries	35,455	35,081	374	35,065
Retirement	3,899	3,394	505	2,227
Payroll taxes	514	940	(426)	1,073
Fuel	4,188	4,299	(111)	10,281
Material and supplies	12,361	14,854	(2,493)	11,589
Equipment & small tools	200	303	(103)	1,042
Equipment repairs & expense	7,892	7,892	-	10,476
Insurance	6,057	5,887	170	5,193
Miscellaneous	1,650	1,627	23	1,524
Street repair	25,071	25,071	-	18,735
Building Repair	28,856	28,864	(8)	10,562
Contract labor	6,650	6,926	(276)	3,699
Capital outlay	59,084	59,181	(97)	-
Total streets and drainage	<u>191,877</u>	<u>194,319</u>	<u>(2,442)</u>	<u>111,466</u>

TOWN OF WOODWORTH, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES-BUDGET (GAAP BASIS) AND ACTUAL
Year Ended May 31, 2004
With Comparative Actual Amounts for Year Ended May 31, 2003
(Continued)

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	2004		Variance Favorable (Unfavorable)	2003 Actual
	Budget	Actual		
SANITATION				
Garbage disposal	\$ 50,395	\$ 51,903	\$ (1,508)	\$ 50,387
Total sanitation	<u>50,395</u>	<u>51,903</u>	<u>(1,508)</u>	<u>50,387</u>
RECREATION				
Recreation supplies	-	-	-	267
Repairs & maintenance	765	765	-	8,691
Miscellaneous	148	149	(1)	1,092
Insurance	562	562	-	583
Utilities	1,941	1,868	73	1,479
Total recreation	<u>3,416</u>	<u>3,344</u>	<u>72</u>	<u>12,112</u>
TOTAL EXPENDITURES	<u>\$ 916,666</u>	<u>\$ 924,346</u>	<u>\$ (7,680)</u>	<u>\$ 62,499</u>

See Notes To Financial Statements.

SPECIAL REVENUE FUND

**To account for receipt and disbursement of amounts received from the
Sales Tax approved on April 5, 1997 for the purchase, constructing, improving,
Maintaining, and operating the Towns Fire Protection facilities, vehicles and equipment.**

TOWN OF WOODWORTH, LOUISIANA

SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
 May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash in bank-checking	\$ 6,371	\$ 15,091
Cash in bank-savings	2,663	2,660
Sales tax receivable	<u>5,087</u>	<u>7,193</u>
 Total Assets	 <u>\$ 14,121</u>	 <u>\$ 24,944</u>
 LIABILITIES		
Accounts payable	589	541
Due to other funds	<u>46,491</u>	<u>18,973</u>
 Total Liabilities	 47,080	 19,514
 FUND BALANCE	 <u>(32,959)</u>	 <u>5,430</u>
 Total liabilities and fund balance	 <u>\$ 14,121</u>	 <u>\$ 24,944</u>

See Notes to Financial Statements.

TOWN OF WOODWORTH, LOUISIANA
SPECIAL REVENUE FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
Year Ended May 31, 2004
With Comparative Actual Amounts for Year Ended May 31, 2003

	2004		Variance	2003 Actual
	Budget	Actual	Favorable (Unfavorable)	
REVENUE				
Taxes - sales	\$ 94,996	\$ 83,218	\$ (11,378)	\$ 71,127
Intergovernmental	3,273	3,273	-	3,800
Miscellaneous	29	29	-	37
Total revenue	<u>97,898</u>	<u>86,520</u>	<u>(11,378)</u>	<u>74,164</u>
EXPENDITURES				
Current:				
Insurance	15,315	16,493	(1,178)	21,618
Per diem	1,245	1,245	-	-
Supplies	1,630	2,248	(618)	5,109
Office Supplies	-	-	-	200
Utilities	3,278	7,329	(4,051)	7,607
Repairs & maintenance	701	1,680	(979)	2,618
Fuel	1,125	1,240	(115)	-
Fire Hydrant rentals	9,100	9,100	-	-
Material and supplies	98	687	(589)	-
Miscellaneous expense	350	953	(603)	3,970
Uniforms	353	908	(555)	2,347
Capital Outlay				
Equipment	708	1,851	(1,143)	-
Construction	4,483	4,483	-	10,733
Engineering fees	231	-	231	2,939
Total fire	<u>38,617</u>	<u>48,217</u>	<u>(9,600)</u>	<u>57,141</u>
EXCESS (DEFICIENCY) OF				
REVENUE OVER EXPENDITURES	<u>59,281</u>	<u>38,303</u>	<u>(20,978)</u>	<u>17,023</u>
OTHER FINANCING SOURCES (USES)				
Debt service				
Principal	(52,527)	(70,753)	(18,226)	(16,449)
Interest	(20,120)	(5,939)	14,181	(8,424)
Total other sources (uses)	<u>(72,647)</u>	<u>(76,692)</u>	<u>(4,045)</u>	<u>(24,873)</u>
EXCESS (DEFICIENCY) OF REVENUE AND				
OTHER SOURCES OVER EXPENDITURES	<u>(13,366)</u>	<u>(38,389)</u>	<u>(25,023)</u>	<u>(7,850)</u>
FUND BALANCE, Beginning				
	<u>5,430</u>	<u>5,430</u>	<u>-</u>	<u>13,280</u>
FUND BALANCE, Ending				
	<u>\$ (7,936)</u>	<u>\$ (32,959)</u>	<u>\$ (25,023)</u>	<u>\$ 5,430</u>

See Notes to Financial Statements.

CAPITAL PROJECTS FUND

**To account for the planing and construction of a sewer system to serve the Town of Woodworth.
Funds are to be provided by grants from various agencies, local funds and loans.**

TOWN OF WOODWORTH, LOUISIANA

CAPITAL PROJECT FUND-SEWER PROJECTS-PHASE I
COMBINING BALANCE SHEET

May 31, 2004

With Comparative Totals for May 31, 2003

	<u>RUS</u>	<u>Capital Outlay</u>	<u>Local Match</u>	<u>Totals</u>	
				<u>2004</u>	<u>2003</u>
ASSETS					
Cash in bank	\$ -	\$ -	\$ 3,635	\$ 3,635	\$ 575
Accounts Receivable	-	-	-	-	191,508
Total Assets	\$ -	\$ -	\$ 3,635	\$ 3,635	\$ 192,083
LIABILITIES					
Accounts Payable				\$ -	\$ 191,508
Due to Other Funds	-	-	5,861	5,861	2,732
Total liabilities	-	-	5,861	5,861	194,240
FUND BALANCE					
	-	-	(2,226)	(2,226)	(2,157)
Total liabilities and fund balance	\$ -	\$ -	\$ 3,635	\$ 3,635	\$ 192,083

**CAPITAL PROJECT FUND- LCDBG SEWER PROJECT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

Year ended May 31, 2004

With Comparative Totals for May 31, 2003

	<u>RUS</u>	<u>Capital Outlay</u>	<u>Local Match</u>	<u>Totals 2004</u>	<u>2003</u>
REVENUES					
Grants	\$ 111,435	\$ 55,612	\$ 3,131	\$ 170,178	\$ 1,352,758
EXPENDITURES					
Planning - Engineering	111,435	-	69	111,504	9,390
Administration	-	-	3,130	3,130	202
Sewer system construction	-	55,612	-	55,612	1,343,226
Total Expenditures	<u>111,435</u>	<u>55,612</u>	<u>3,199</u>	<u>170,246</u>	<u>1,352,818</u>
Excess Expenditures over revenue	-	-	(68)	(68)	(60)
Fund Balance Beginning of Year	-	-	(2,158)	(2,158)	(2,098)
Fund Balance End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,226)</u>	<u>\$ (2,226)</u>	<u>\$ (2,158)</u>

ENTERPRISE FUNDS

NATURAL GAS SYSTEM FUND - To account for the provision of natural gas service to the residents of the Town of Woodworth, Louisiana and some residents of the surrounding area. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt retirement service, and billing and collection.

WATER SYSTEM FUND - To account for the provision of water service to the residents of the Town of Woodworth, Louisiana and some residents of the surrounding area. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt retirement service, and billing and collection.

SEWER SYSTEM FUND - To account for the provision of sewer service to the residents of the Town of Woodworth, Louisiana and some residents of the surrounding area. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt retirement service, and billing and collection.

TOWN OF WOODWORTH, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
May 31, 2004
With Comparative Totals for May 31, 2003

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	GAS	WATER	SEWER	TOTALS	
				2004	2003
ASSETS					
CURRENT ASSETS					
Cash on hand	\$ 170	\$ -	\$ -	\$ 170	\$ 150
Cash in checking	62,629	58,602	20,188	141,419	81,092
Cash in savings	91,549	2,940	-	94,489	95,948
Accrued interest	37	4	-	41	57
Accounts receivable-customers	16,618	17,793	16,698	51,109	47,905
Accounts receivable - Other	109,439	76,480	-	185,919	143,150
Due from other funds	475	35,596	2,472	38,543	46,017
Total current assets	280,917	191,415	39,358	511,690	414,319
RESTRICTED ASSETS					
Cash in:					
Revenue bond sinking fund	-	4,145	-	4,145	48,299
Revenue bond reserve fund	-	20,607	829	21,436	43,830
Revenue bond contingency fund	-	13,753	322	14,075	20,257
Customer deposit checking account	11,433	12,357	3,375	27,165	23,804
Customer deposit savings account	6,525	4,365	-	10,890	10,854
Total restricted assets	17,958	55,227	4,526	77,711	147,044
FIXED ASSETS					
Land	-	-	78,891	78,891	61,051
Construction in progress	-	-	-	-	2,109,022
Distribution system	1,535,372	2,275,883	4,337,619	8,148,874	3,248,331
Less: Accumulated depreciation	477,673	864,489	152,502	1,494,664	1,250,423
Net fixed assets	1,057,699	1,411,394	4,264,008	6,733,101	4,167,981
TOTAL ASSETS	\$ 1,356,574	\$ 1,658,036	\$ 4,307,892	\$ 7,322,502	\$ 4,729,344

See Notes to Financial Statements.

LIABILITIES AND FUND EQUITY	GAS	WATER	SEWER	TOTALS	
				2004	2003
LIABILITIES					
Current liabilities (payable from current assets)					
Accounts payable	\$ 12,791	\$ 2,692	\$ 818	\$ 16,301	\$ 154,772
Contracts payable	116,257	80,827	-	197,084	-
Due to other funds	126,638	17,328	220,134	364,100	165,102
Total	<u>255,686</u>	<u>100,847</u>	<u>220,952</u>	<u>577,485</u>	<u>319,874</u>
Current liabilities (payable from restricted assets)					
Revenue bonds payable	-	5,000	6,332	11,332	5,000
Accrued interest payable	-	1,375	852	2,227	7,036
Customers' deposits	17,191	13,825	5,203	36,219	31,921
Total	<u>17,191</u>	<u>20,200</u>	<u>12,387</u>	<u>49,778</u>	<u>43,957</u>
Total current liabilities	<u>272,877</u>	<u>121,047</u>	<u>233,339</u>	<u>627,263</u>	<u>363,831</u>
LONG-TERM LIABILITIES					
Revenue bonds payable	-	61,000	639,642	700,642	777,000
Total liabilities	<u>272,877</u>	<u>182,047</u>	<u>872,981</u>	<u>1,327,905</u>	<u>1,140,831</u>
FUND EQUITY					
Contributions:					
Federal grants	-	38,000	-	38,000	38,000
Federal revenue sharing	4,683	4,181	-	8,864	8,864
General Fund	115,448	38,419	39,720	193,587	171,046
RUS	-	-	449,054	449,054	213,859
La. Capital Outlay Fund	-	-	1,712,253	1,712,253	945,994
Police Jury-Bayou Clear	-	129,617	-	129,617	128,557
La. Dept. Public Works grant	-	83,000	-	83,000	83,000
La. Wildlife and Fisheries grant	-	7,780	-	7,780	8,415
La. Dept. of Transportation grant	703,387	458,074	-	1,161,461	193,705
LCDB grant	34,808	409,419	968,375	1,412,602	978,452
State - Line Locator	2,500	-	-	2,500	2,500
Individuals	41,540	-	361,400	402,940	421,220
Total contributions	<u>902,366</u>	<u>1,168,490</u>	<u>3,530,802</u>	<u>5,601,658</u>	<u>3,203,612</u>
Retained earnings					
Reserved for bond retirement	-	18,378	-	18,378	85,645
Reserved for bond contingency	-	13,753	322	14,075	20,257
Unreserved	181,331	275,368	(96,213)	360,486	278,999
Total retained earnings	<u>181,331</u>	<u>307,499</u>	<u>(95,891)</u>	<u>392,939</u>	<u>384,901</u>
Total equity	<u>1,083,697</u>	<u>1,475,989</u>	<u>3,434,911</u>	<u>5,994,597</u>	<u>384,901</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,356,574</u>	<u>\$ 1,658,036</u>	<u>\$ 4,307,892</u>	<u>\$ 7,322,502</u>	<u>\$ 384,901</u>

TOWN OF WOODWORTH, LOUISIANA

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ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Year Ended May 31, 2004
With Comparative Totals for Year Ended May 31, 2003

	GAS	WATER	SEWER	TOTALS	
				2004	2003
OPERATING REVENUE					
Charges for services	\$ 255,445	\$ 138,434	\$ 126,763	\$ 520,642	\$ 448,166
Fire hydrant rental	-	9,100	-	9,100	9,100
Connection fees	9,757	14,498	6,350	30,605	13,340
Fees/rent	2,094	2,143	1,483	5,720	5,956
Miscellaneous	275	277	77	629	955
Total operating revenue	<u>267,571</u>	<u>164,452</u>	<u>134,683</u>	<u>566,706</u>	<u>477,497</u>
OPERATING EXPENSES					
Gas/Water purchased	149,084	2,410	-	151,494	148,738
Engineering	3,699	-	-	3,699	2,360
Salaries	36,546	36,546	36,546	109,638	84,428
Retirement	3,640	3,640	3,641	10,921	6,022
Payroll Taxes	584	584	560	1,728	1,082
Office supplies	-	1,037	193	1,230	1,367
Postage	741	-	741	1,482	2,102
Repairs and maintenance	1,374	1,833	3,745	6,952	15,141
Consulting fees	-	-	-	-	16,815
Insurance	4,428	6,016	8,241	18,685	7,306
Audit and accounting	6,500	6,500	6,500	19,500	16,000
Bad debts (net of recoveries)	-	-	-	-	-
Rent on sewer ponds	-	-	-	-	36,513
Dues and subscriptions	50	200	-	250	200
Testing fees	4,835	-	243	5,078	-
Fuel - truck expenses	1,556	1,557	2,347	5,460	2,015
Supplies	16,121	23,303	25,083	64,507	35,625
Small tools	85	85	1,926	2,096	811
Utilities	1,099	4,916	19,288	25,303	10,706
Miscellaneous	3,252	5,830	10,137	19,219	19,139
Depreciation	35,538	74,306	136,894	246,738	121,097
Total operating expenses	<u>269,132</u>	<u>168,763</u>	<u>255,085</u>	<u>692,980</u>	<u>527,467</u>
NET INCOME (LOSS) FROM OPERATIONS	<u>(1,561)</u>	<u>(4,311)</u>	<u>(120,402)</u>	<u>(126,272)</u>	<u>(49,970)</u>
NON-OPERATING REVENUE (EXPENSES)					
Interest earned	1,354	307	77	1,738	4,024
Interest expense	(1,440)	(3,445)	(31,148)	(36,033)	(37,703)
Total non-operating revenue (expenses)	<u>(86)</u>	<u>(3,138)</u>	<u>(31,071)</u>	<u>(34,295)</u>	<u>(33,679)</u>
NET INCOME BEFORE OPERATING TRANSFERS	<u>(1,647)</u>	<u>(7,449)</u>	<u>(151,471)</u>	<u>(160,567)</u>	<u>(83,649)</u>
Transfers (to)/from General Fund	<u>7,555</u>	<u>(8,814)</u>	<u>(8,774)</u>	<u>(10,033)</u>	<u>(5,832)</u>
NET INCOME (LOSS)	<u>5,908</u>	<u>(16,263)</u>	<u>(160,245)</u>	<u>(170,600)</u>	<u>(89,481)</u>
Add Depreciation on Fixed Assets acquired by Capital Grants that reduce contributed capital from Capital Grants	<u>15,015</u>	<u>47,362</u>	<u>116,268</u>	<u>178,638</u>	<u>74,008</u>
Net increase (decrease) in Retained Earnings	<u>20,923</u>	<u>31,099</u>	<u>(43,984)</u>	<u>8,038</u>	<u>(15,473)</u>
RETAINED EARNINGS, Beginning of year	<u>160,408</u>	<u>276,400</u>	<u>(51,907)</u>	<u>384,901</u>	<u>400,374</u>
RETAINED EARNINGS, End of year	<u>\$ 181,331</u>	<u>\$ 307,499</u>	<u>\$ (95,891)</u>	<u>\$ 392,939</u>	<u>\$ 384,901</u>

See Notes to Financial Statements.

TOWN OF WOODWORTH, LOUISIANA

D-3

ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 Year Ended May 31, 2004
 With Comparative Totals for Year Ended May 31, 2003

	GAS	WATER	SEWER	TOTALS	
				2004	2003
Cash flows from operating activities:					
Cash received for services	\$ 252,842	\$ 142,547	\$ 122,094	\$ 517,483	\$ 491,581
Other cash receipts	12,126	26,018	7,922	46,066	29,331
Cash payments for goods and services	(189,933)	(57,830)	(87,117)	(334,880)	(320,339)
Cash payments to employees	(36,546)	(36,546)	(36,546)	(109,638)	(84,428)
Net cash provided (used) by operating activities	<u>38,489</u>	<u>74,189</u>	<u>6,353</u>	<u>119,031</u>	<u>56,145</u>
Cash flows from non-capital financing activities:					
Operating transfers (to) from: General Fund	7,555	(8,814)	(8,774)	(10,033)	(5,832)
Loans and advances (to) from other funds	37,969	24,802	143,701	206,472	297,123
(Increase) decrease in grants receivable	(109,379)	(76,128)	142,693	(42,814)	(142,693)
Increase (decrease) in Customers Deposits	1,365	1,300	1,633	4,298	4,640
Net cash provided (used) by non-capital financing activities	<u>(62,460)</u>	<u>(58,840)</u>	<u>279,253</u>	<u>157,923</u>	<u>153,238</u>
Cash flows from capital and related financing activities:					
Capital contributions from:					
LCDBG	-	-	496,638	496,638	-
Individuals	-	-	-	-	390,000
General fund	-	-	24,684	24,684	47,331
La Capital Outlay Fund	-	-	819,215	819,215	945,994
RUS	-	-	252,211	252,211	213,859
La Dept of Transportation	598,613	385,326	-	-	-
Payment of Revenue Bonds	(64,000)	(5,000)	(1,026)	(70,026)	(14,000)
Increase (decrease) in contracts payable	116,257	80,827	(142,692)	54,392	(45,764)
Payment of interest on Revenue Bonds	(1,440)	(3,549)	(35,853)	(40,842)	(36,121)
Construction in progress	-	-	2,109,022	2,109,022	(1,047,905)
Purchase of Land, Building & Equipment	(24,746)	(24,782)	(85,987)	(135,515)	(125,028)
Improvements and extensions to distribution system	(598,613)	(432,047)	(3,752,211)	(4,782,871)	(470,632)
Net cash provided (used) by capital and related activities	<u>26,071</u>	<u>775</u>	<u>(315,999)</u>	<u>(1,273,092)</u>	<u>(142,268)</u>
Cash flows from investment activities:					
Receipt of interest on savings and bank CD's	1,362	315	77	1,754	4,075
Net cash provided (used) by investment activities	<u>1,362</u>	<u>315</u>	<u>77</u>	<u>1,754</u>	<u>4,075</u>
Net increase (decrease) in cash	3,432	16,439	(30,316)	(10,445)	71,190
Cash balance beginning:	168,874	100,330	55,030	324,234	253,044
Cash balance ending:	<u>\$ 172,306</u>	<u>\$ 116,769</u>	<u>\$ 24,714</u>	<u>\$ 313,789</u>	<u>\$ 324,234</u>
Reconciliation of Operating Income to cash provided (used) by operating activities:					
Operating Income (Loss)	\$ (1,561)	\$ (4,311)	\$ (120,400)	(126,272)	(49,970)
Adjustments to reconcile Operating Income to net cash provided (used) by operating activities:					
Depreciation expense	34,041	74,306	135,894	244,241	121,097
(Increase) Decrease in Accounts Receivable	(2,603)	4,113	(4,669)	(3,159)	(16,585)
Increase (Decrease) in Accounts Payable	8,612	81	(4,472)	4,221	1,603
Net cash provided (used) by operating activities	<u>\$ 38,489</u>	<u>\$ 74,189</u>	<u>\$ 6,353</u>	<u>\$ 119,031</u>	<u>\$ 56,145</u>

See Notes to Financial Statements.

TOWN OF WOODWORTH, LOUISIANA

D-4

NATURAL GAS SYSTEM FUND
COMPARATIVE BALANCE SHEET
May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
CURRENT ASSETS		
Cash on hand	\$ 170	\$ 150
Cash in checking	62,629	21,956
Cash in savings	91,549	93,012
Accrued interest	37	45
Due from other finds	475	475
Grants receivable	109,379	-
Accounts receivable - customers	16,618	13,927
Accounts receivable - Other	60	148
Total current assets	280,917	129,713
RESTRICTED ASSETS		
Cash in:		
Revenue bond sinking fund	-	6,439
Revenue bond reserve fund	-	23,375
Revenue bond contingency fund	-	7,000
Customers' deposit checking account	11,433	10,417
Customers' deposit savings account	6,525	6,525
Total restricted assets	17,958	53,756
FIXED ASSETS		
Gas distribution system	1,535,372	912,013
Less: Accumulated depreciation	477,673	443,632
Net fixed assets	1,057,699	468,381
TOTAL ASSETS	\$ 1,356,574	\$ 651,850

See Notes to Financial Statements.

	<u>2004</u>	<u>2003</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Current liabilities (payable from current assets)		
Accounts payable	\$ 12,791	\$ 4,179
Contracts payable	116,257	-
Due to other funds	<u>126,638</u>	<u>88,669</u>
Total	<u>255,686</u>	<u>92,848</u>
Current liabilities (payable from restricted assets)		
Customers' deposits	<u>17,191</u>	<u>15,826</u>
Total current liabilities	272,877	108,674
Long-term liabilities		
Revenue bonds payable	<u>-</u>	<u>64,000</u>
Total liabilities	<u>272,877</u>	<u>172,674</u>
FUND EQUITY		
Contributions		
Federal Revenue Sharing grant	4,683	4,683
General Fund	115,448	115,764
LCDB grant	34,808	37,018
Dept. of Transportation grant	703,387	114,583
State - Line Locator	2,500	2,500
Individuals	<u>41,540</u>	<u>44,220</u>
Total contributions	<u>902,366</u>	<u>318,768</u>
RETAINED EARNINGS		
Reserved for bond retirement	-	29,814
Reserved for contingency	-	7,000
Unreserved	<u>181,331</u>	<u>123,594</u>
Total retained earnings	<u>181,331</u>	<u>160,408</u>
Total fund equity	<u>1,083,697</u>	<u>479,176</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,356,574</u>	<u>\$ 651,850</u>

TOWN OF WOODWORTH, LOUISIANA

D-5

NATURAL GAS SYSTEM FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Years Ended May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
OPERATING REVENUE		
Gas sales	\$ 255,445	\$ 223,744
Connection fees	9,757	2,760
Penalties	2,094	2,381
Miscellaneous	<u>275</u>	<u>381</u>
Total operating revenue	<u>267,571</u>	<u>229,266</u>
OPERATING EXPENSES		
Gas purchased	149,084	146,587
Engineering Fees	3,699	1,110
Salaries	36,546	42,214
Retirement	3,640	3,011
Payroll Taxes	584	541
Postage	741	1,021
Repairs and maintenance	2,870	6,015
Insurance	4,428	1,738
Audit and accounting	6,500	8,000
Office supplies	-	456
Leak test	4,835	-
Dues & Subscriptions	50	50
Fuel - truck expense	1,556	1,005
Supplies	16,121	13,037
Small Tools	85	-
Utilities	1,099	714
Miscellaneous	3,253	3,965
Depreciation	<u>34,041</u>	<u>32,407</u>
Total operating expenses	<u>269,132</u>	<u>261,871</u>
NET INCOME FROM OPERATIONS	<u>(1,561)</u>	<u>(32,605)</u>
NON-OPERATING REVENUE (EXPENSES)		
Interest earned	1,354	3,111
Interest expense	<u>(1,440)</u>	<u>(3,330)</u>
Total non-operating revenue (expenses)	<u>(86)</u>	<u>(219)</u>

TOWN OF WOODWORTH, LOUISIANA

D-5

NATURAL GAS SYSTEM FUND
 COMPARATIVE STATEMENT OF REVENUE, EXPENSES
 AND CHANGES IN RETAINED EARNINGS

Years Ended May 31, 2004 and 2003

(Continued)

	<u>2004</u>	<u>2003</u>
NET INCOME BEFORE OPERATING TRANSFERS	<u>(1,647)</u>	<u>(32,824)</u>
Transfers from General Fund	<u>7,555</u>	<u>(2,686)</u>
NET INCOME (LOSS)	5,908	(35,510)
Add Depreciation on Fixed Assets acquired by Capital Grants that reduce contributed capital from Capital Grants	<u>15,015</u>	<u>14,281</u>
Net increase (decrease) in Retained Earnings	20,923	(21,229)
RETAINED EARNINGS, Beginning of year	<u>160,408</u>	<u>181,637</u>
RETAINED EARNINGS, End of year	<u>\$ 181,331</u>	<u>\$ 160,408</u>

See Notes to Financial Statements.

TOWN OF WOODWORTH, LOUISIANA

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NATURAL GAS SYSTEM FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 Years Ended May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Cash received for services	\$ 252,842	\$ 219,951
Other cash receipts	12,126	5,522
Cash payments for goods and services	(189,933)	(188,472)
Cash payments to employees	<u>(36,546)</u>	<u>(42,214)</u>
Net cash provided (used) by operating activities	<u>38,489</u>	<u>(5,213)</u>
Cash flows from non-capital financing activities:		
Operating transfers (to) from General Fund	7,555	(2,686)
Loans and advances (to) from other funds (net)	37,969	53,498
(Increase) decrease in grant receivable	(109,379)	-
Increase (decrease) in Customers Deposits	<u>1,365</u>	<u>1,215</u>
Net cash provided (used) by non-capital financing activities	<u>(62,490)</u>	<u>52,027</u>
Cash flows from capital and related financing activities:		
Capital contributions from general fund	-	15,777
Capital contribution La Dept of Transportation	598,613	-
Payment of Revenue Bonds	(64,000)	(10,000)
Payment of interest on Revenue Bonds	(1,440)	(1,665)
Increase (decrease) in contracts payable	116,257	-
Purchase of Buildings & Equipment	(24,746)	(41,676)
Improvements and extensions to distribution system	<u>(598,613)</u>	<u>(10,632)</u>
Net cash provided (used) by capital and related activities	<u>26,071</u>	<u>(48,196)</u>
Cash flows from investment activities:		
Receipt of interest on savings and bank CD's	<u>1,362</u>	<u>3,165</u>
Net cash provided (used) by investment activities	<u>1,362</u>	<u>3,165</u>
Net increase (decrease) in cash	3,432	1,783
Cash balance beginning:	<u>168,874</u>	<u>167,091</u>
Cash balance ending:	<u>\$ 172,306</u>	<u>\$ 168,874</u>

TOWN OF WOODWORTH, LOUISIANA

D-6

NATURAL GAS SYSTEM FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 Years Ended May 31, 2004 and 2003
 (Continued)

	<u>2004</u>	<u>2003</u>
Reconciliation of Operating Income		
to cash provided (used) by operating activities:		
Operating Income (Loss)	\$ (1,561)	\$ (32,605)
Adjustments to reconcile Operating Income to net cash provided (used) by operating activities:		
Depreciation expense	34,041	32,407
(Increase) Decrease in Accounts Receivable	(2,603)	(3,793)
Increase (Decrease) in Accounts Payable	<u>8,612</u>	<u>(1,222)</u>
Net cash provided (used) by operating activities	<u>\$ 38,489</u>	<u>\$ (5,213)</u>

See Notes to Financial Statements

TOWN OF WOODWORTH, LOUISIANA

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WATER SYSTEM FUND
COMPARATIVE BALANCE SHEET
 May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
CURRENT ASSETS		
Cash in checking	\$ 58,602	\$ 40,708
Cash in savings	2,940	2,936
Accrued interest	4	12
Due from other funds	35,596	43,070
Accounts receivable - customers	17,793	21,949
Accounts receivable - La DOTD	76,128	-
Other Receivables	<u>352</u>	<u>309</u>
Total current assets	<u>191,415</u>	<u>108,984</u>
RESTRICTED ASSETS		
Cash in:		
Revenue bond sinking fund	4,145	7,393
Revenue bond reserve fund	20,607	20,455
Revenue bond contingency fund	13,753	13,257
Customers' deposit checking account	12,357	11,252
Customers' deposit savings account	<u>4,365</u>	<u>4,329</u>
Total restricted assets	<u>55,227</u>	<u>56,686</u>
FIXED ASSETS		
Water distribution system	2,275,883	1,819,055
Less: Allowance for depreciation	<u>864,489</u>	<u>790,183</u>
Net fixed assets	<u>1,411,394</u>	<u>1,028,872</u>
TOTAL ASSETS	<u>\$ 1,658,036</u>	<u>\$ 1,194,542</u>

See Notes to Financial Statements.

	<u>2004</u>	<u>2003</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Current liabilities (payable from current assets)		
Accounts payable	\$ 2,692	\$ 2,611
Contracts payable	80,827	-
Due to other funds	<u>17,328</u>	<u>-</u>
Total	<u>100,847</u>	<u>2,611</u>
Current liabilities (payable from restricted assets)		
Revenue bonds payable	5,000	5,000
Accrued interest payable	1,375	1,479
Customers' deposits	<u>13,825</u>	<u>12,525</u>
Total	<u>20,200</u>	<u>19,004</u>
Total current liabilities	121,047	21,615
Long-term liabilities		
Revenue bonds payable	<u>61,000</u>	<u>66,000</u>
Total liabilities	<u>182,047</u>	<u>87,615</u>
FUND EQUITY		
Contributions		
Federal grants	38,000	38,000
Federal Revenue Sharing	4,181	4,181
General Fund	38,419	39,505
Police Jury-Bayou Clean	129,617	138,557
La. Dept. Public Works grant	83,000	83,000
La. Wildlife and Fisheries grant	7,780	8,415
La. Dept. of Transportation grant	458,074	79,122
LCDB grant	<u>409,419</u>	<u>439,747</u>
Total contributions	<u>1,168,490</u>	<u>830,527</u>
Retained earnings		
Reserved for bond retirement	18,378	21,364
Reserved for bond contingency	13,753	13,257
Unreserved	<u>275,368</u>	<u>241,779</u>
Total retained earnings	<u>307,499</u>	<u>276,400</u>
Total fund equity	<u>1,475,989</u>	<u>1,106,927</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,658,036	\$ 1,194,542

TOWN OF WOODWORTH, LOUISIANA

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WATER SYSTEM FUND
 COMPARATIVE STATEMENT OF REVENUE, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 Years Ended May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
OPERATING REVENUE		
Water sales	\$ 138,434	\$ 142,535
Fire Hydrant Rental	9,100	9,100
Connections	14,498	8,830
Late penalties	2,143	2,447
Miscellaneous	<u>277</u>	<u>395</u>
Total operating revenue	<u>164,452</u>	<u>163,307</u>
OPERATING EXPENSES		
Water Purchased	2,410	2,151
Engineering	-	1,250
Salaries	36,546	42,214
Retirement	3,640	3,011
Payroll taxes	584	541
Office and postage	1,037	1,477
Repairs and maintenance	1,833	3,147
Insurance	6,016	4,855
Audit and accounting	6,500	8,000
Fuel - utility truck	946	1,000
Truck expense	611	5
Dues and subscriptions	200	150
Supplies	23,303	13,932
Small tools	85	230
Utilities	4,916	5,518
Miscellaneous	5,830	1,238
Depreciation	<u>74,306</u>	<u>72,355</u>
Total operating expenses	<u>168,763</u>	<u>161,074</u>
NET INCOME (LOSS) FROM OPERATIONS	<u>(4,311)</u>	<u>2,233</u>
NON-OPERATING REVENUE (EXPENSES)		
Interest earned	307	612
Interest expense	<u>(3,445)</u>	<u>(3,640)</u>
Total non-operating revenue (expenses)	<u>(3,138)</u>	<u>(3,028)</u>

WATER SYSTEM FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Years Ended May 31, 2004 and 2003
(Continued)

	<u>2004</u>	<u>2003</u>
NET INCOME BEFORE OPERATING TRANSFERS-	\$ (7,449)	\$ (795)
Transfer (to)from General Fund	<u>(8,814)</u>	<u>(3,146)</u>
NET INCOME (LOSS)	(16,263)	(3,941)
Add Depreciation on Fixed Assets acquired by Capital Grants that reduce contributed capital from Capital Grants	<u>47,362</u>	<u>46,727</u>
Net increase (decrease) in Retained Earnings	31,099	42,786
RETAINED EARNINGS, Beginning of year	<u>276,400</u>	<u>233,614</u>
RETAINED EARNINGS, End of year	<u>\$ 307,499</u>	<u>\$ 276,400</u>

See Notes to Financial Statements.

TOWN OF WOODWORTH, LOUISIANA

D-9

WATER SYSTEM FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 Years Ended May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Cash received for services	\$ 142,547	\$ 136,495
Other cash receipts	26,018	20,772
Cash payments for goods and services	(57,830)	(48,971)
Cash payments to employees	<u>(36,546)</u>	<u>(42,214)</u>
Net cash provided (used) by operating activities	<u>74,189</u>	<u>66,082</u>
Cash flows from non-capital financing activities:		
Operating transfers (to) from General Fund	(8,814)	(3,146)
Loans and advances (to) from other funds	24,802	(10,988)
(Increase) decrease in grants receivable	(76,128)	-
Increase (decrease) in Customers' Deposits	<u>1,300</u>	<u>1,175</u>
Net cash provided (used) by non-capital financing activities	<u>(58,840)</u>	<u>(12,959)</u>
Cash flows from capital and related financing activities:		
Payment of Revenue Bonds	(5,000)	(4,000)
Payment of interest on Revenue Bonds	(3,549)	(3,723)
Capital contribution from General Fund	-	15,777
Capital contribution from La Dept of Transportation	385,326	-
Decrease (Increase) in Contracts Payable	80,827	-
Purchase of Building & Equipment	(24,782)	(41,676)
Improvements and extensions to distribution system	<u>(432,047)</u>	<u>-</u>
Net cash provided (used) by capital and related activities	<u>775</u>	<u>(33,622)</u>
Cash flows from investment activities:		
Receipt of interest on savings and bank CD's	<u>315</u>	<u>609</u>
Net cash provided (used) by investment activities	<u>315</u>	<u>609</u>
Net increase (decrease) in cash	16,439	20,110
Cash balance beginning:	<u>100,330</u>	<u>80,220</u>
Cash balance ending:	<u>\$ 116,769</u>	<u>\$ 100,330</u>

See Notes to Financial Statements.

WATER SYSTEM FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended May 31, 2004 and 2003
(Continued)

	<u>2004</u>	<u>2003</u>
Reconciliation of Operating Income		
to cash provided (used) by operating activities:		
Operating Income (Loss)	\$ (4,311)	\$ 2,233
Adjustments to reconcile Operating		
Income to net cash provided (used)		
by operating activities:		
<i>Depreciation expense</i>	74,306	72,355
(Increase) Decrease in		
Accounts Receivable	4,113	(6,040)
Increase (Decrease) in		
Accounts Payable	<u>81</u>	<u>(2,466)</u>
Net cash provided (used) by		
operating activities	<u>\$ 74,189</u>	<u>\$ 66,082</u>

See Notes to Financial Statements.

**WATER SYSTEM FUND
STATEMENT OF CHANGES IN ASSETS
RESTRICTED FOR REVENUE BOND DEBT SERVICE
Year Ended May 31, 2004**

	<u>BOND AND INTEREST REDEMPTION</u>	<u>RESERVE</u>	<u>DEPRECIATION AND CONTINGENCY</u>	<u>TOTAL</u>
CASH BALANCE, June 1, 2003	\$ 7,393	\$ 20,455	\$ 13,257	\$ 41,105
CASH RECEIPTS				
Transfer from operating account	8,550	-	480	9,030
Interest earned	<u>10</u>	<u>152</u>	<u>16</u>	<u>178</u>
Total cash available	<u>15,953</u>	<u>20,607</u>	<u>13,753</u>	<u>50,313</u>
CASH DISBURSEMENTS				
Transfer to operating account	3,258	-	-	3,258
Principal payments	5,000	-	-	5,000
Interest payments	<u>3,550</u>	<u>-</u>	<u>-</u>	<u>3,550</u>
Total cash disbursements	<u>11,808</u>	<u>-</u>	<u>-</u>	<u>11,808</u>
CASH BALANCE, May 31, 2004	<u>\$ 4,145</u>	<u>\$ 20,607</u>	<u>\$ 13,753</u>	<u>\$ 38,505</u>

See Notes to Financial Statements

TOWN OF WOODWORTH, LOUISIANA

SEWER SYSTEM FUND
COMPARATIVE BALANCE SHEET
May 31, 2004 and 2003

	2004	2003
ASSETS		
CURRENT ASSETS		
Cash in checking	\$ 20,188	\$ 18,428
Accounts receivable - customers	16,698	12,029
Accounts receivable - other	-	142,693
Due from sewer construction fund	2,472	2,472
Total current assets	<u>39,358</u>	<u>175,622</u>
RESTRICTED ASSETS		
Cash in:		
Revenue bond sinking fund	-	34,467
RUS sewer reserve fund	829	-
RUS sewer depreciation fund	322	-
Customer deposit checking account	3,375	2,135
Total restricted assets	<u>4,526</u>	<u>36,602</u>
FIXED ASSETS		
Land	78,891	61,051
Equipment and lines	4,337,619	517,263
Construction in progress	-	2,109,022
Less accumulated depreciation	<u>(152,502)</u>	<u>(16,608)</u>
Net fixed assets	<u>4,264,008</u>	<u>2,670,728</u>
TOTAL ASSETS	<u>\$ 4,307,892</u>	<u>\$ 2,882,952</u>

See Notes to Financial Statements

	2004	2003
LIABILITIES AND FUND EQUITY		
LIABILITIES		
<i>Current liabilities (payable from current assets)</i>		
Accounts payable	\$ 818	\$ 5,290
Contracts payable	-	142,692
Due to other funds	<u>220,134</u>	<u>76,433</u>
Total	<u>220,952</u>	<u>224,415</u>
<i>Current liabilities (payable from restricted assets)</i>		
Revenue bonds payable	6,332	-
Accrued interest payable	852	5,557
Customers' deposits	<u>5,203</u>	<u>3,570</u>
Total	<u>12,387</u>	<u>9,127</u>
Total current liabilities	<u>233,339</u>	<u>233,542</u>
<i>Long-term liabilities</i>		
Revenue bonds payable	<u>639,642</u>	<u>647,000</u>
Total liabilities	<u>872,981</u>	<u>880,542</u>
FUND EQUITY		
<i>Contributions</i>		
General fund	39,720	15,777
RUS	449,054	213,859
La Capital Outlay Fund	1,712,253	945,994
Individuals	361,400	377,000
LCDBG	<u>968,375</u>	<u>501,687</u>
Total contributions	<u>3,530,802</u>	<u>2,054,317</u>
<i>Retained earnings</i>		
Reserved for bond retirement	-	34,467
Reserved for depreciation	322	-
Unreserved	<u>(96,213)</u>	<u>(86,374)</u>
Total retained earnings	<u>(95,891)</u>	<u>(51,907)</u>
Total fund equity	<u>3,434,911</u>	<u>2,002,410</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 4,307,892</u>	<u>\$ 2,882,952</u>

TOWN OF WOODWORTH, LOUISIANA
SEWER SYSTEM FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Years Ended May 31, 2004 and 2003

	2004	2003
OPERATING REVENUE		
Sewer Fees	\$ 126,763	\$ 81,887
Connections	6,350	1,750
Late penalties	1,495	1,128
Miscellaneous	77	199
Total operating revenues	<u>134,685</u>	<u>84,924</u>
OPERATING EXPENSES		
Salaries	36,546	-
Retirement	3,641	-
Payroll taxes	560	-
Truck expenses	2,347	5
Office expenses	193	455
Postage	741	60
Wastewater testing	243	-
Repairs and maintenance	3,745	5,979
Insurance	8,241	713
Audit and accounting	6,500	-
Supplies	25,083	8,656
Consulting Fees	-	16,815
Rent on sewer ponds	-	36,513
Small tools	1,926	581
Utilities	19,288	4,474
Miscellaneous	10,137	13,936
Depreciation	135,894	16,335
Total operating expenses	<u>255,085</u>	<u>104,522</u>
NET INCOME (LOSS) FROM OPERATIONS	<u>(120,400)</u>	<u>(19,598)</u>
NON-OPERATING REVENUE (EXPENSES)		
Interest earned	77	301
Interest expense	(31,148)	(30,733)
Total non-operating revenue (expense)	<u>(31,071)</u>	<u>(30,432)</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(151,471)</u>	<u>(50,030)</u>
Transfer (to) from General Fund	<u>(8,774)</u>	<u>-</u>
NET INCOME (LOSS)	<u>(160,245)</u>	<u>(50,030)</u>
Add Depreciation on Fixed Assets acquired by Capital Grants that reduce contributed capital from Capital Grants	<u>116,261</u>	<u>13,000</u>
Net increase (decrease) in Retained Earnings	(43,984)	(37,030)
RETAINED EARNINGS, Beginning of year	<u>(51,907)</u>	<u>(14,877)</u>
RETAINED EARNINGS, End of year	<u>\$ (95,891)</u>	<u>\$ (51,907)</u>

See Notes to Financial Statements

TOWN OF WOODWORTH, LOUISIANA
SEWER SYSTEM FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Cash received for services	\$ 122,094	\$ 75,135
Other cash receipts	7,922	3,037
Cash payments for goods and services	(87,117)	(82,896)
Cash payments to employees	(36,546)	-
Net cash provided (used) by operating activities	<u>6,353</u>	<u>(4,724)</u>
 Cash flows from non-capital financing activities:		
Operating transfers (to) from General Fund	(8,774)	-
Loans and advances (to) from other funds	143,701	254,613
(Increase) decrease in Grants receivable	142,693	(142,693)
Increase (decrease) in Customers' Deposits	1,633	2,250
Net cash provided (used) by non-capital financing activities	<u>279,253</u>	<u>114,170</u>
 Cash flows from capital and related financing activities:		
Increase (decrease) in contracts payable	(142,692)	(45,766)
Capital transfers (to) from LCDBG	496,638	-
Contribution from individuals	-	390,000
Contribution from general fund	24,684	15,777
Grant from La Capital Outlay Fund	819,215	945,994
Grant from RUS	252,211	213,859
Payment of Revenue Bonds	(1,026)	-
Payment of interest on revenue bonds	(35,853)	(30,733)
Purchase of land buildings and equipment	(85,987)	(501,676)
Completed jobs sewer plant, lines etc	(3,752,211)	-
Construction in progress	2,109,022	(1,047,905)
Net cash provided (used) by capital and related activities	<u>(315,999)</u>	<u>(60,450)</u>
 Cash flows from investment activities		
Receipt of interest on savings	<u>77</u>	<u>301</u>
 Net increase (decrease) in cash	(30,316)	49,297
 Cash balance beginning:	<u>55,030</u>	<u>5,733</u>
Cash balance ending:	<u>\$ 24,714</u>	<u>\$ 55,030</u>
See Notes to Financial Statements.		

TOWN OF WOODWORTH, LOUISIANA
SEWER SYSTEM FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended May 31, 2004 and 2003
(Continued)

	<u>2004</u>	<u>2003</u>
Reconciliation of Operating Income		
to cash provided (used) by operating activities:		
Operating Income (Loss)	\$ (120,400)	\$ (19,598)
Adjustments to reconcile Operating Income to net cash		
provided (used) by operating activities:		
Depreciation expense	135,894	16,335
(Increase) Decrease in Accounts Receivable	(4,669)	(6,752)
Increase (Decrease) in Accounts Payable	<u>(4,472)</u>	<u>5,291</u>
 Net cash provided (used) by operating activities	 <u>\$ 6,353</u>	 <u>\$ (4,724)</u>

See Notes to Financial Statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

TOWN OF WOODWORTH, LOUISIANA

E-1

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
Years Ended May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
GENERAL & ADMINISTRATIVE DEPARTMENT		
Land	\$ 52,366	\$ 52,366
Buildings	873,292	873,292
Building Improvements	10,562	10,562
Site Work, Fences, Etc.	13,928	13,928
Furniture & Fixtures	14,757	14,757
Automobiles	19,794	19,794
Service Equipment	5,157	4,014
Office Equipment	7,591	7,591
Miscellaneous	3,095	3,095
Total General & Administrative Dept.	<u>1,000,542</u>	<u>999,399</u>
POLICE DEPARTMENT		
Furniture & Fixtures	4,754	4,754
Police Cars	107,049	112,239
Service Equipment	93,121	82,257
Office Equipment	33,710	32,761
Miscellaneous	1,797	1,797
Total Police Dept.	<u>240,431</u>	<u>233,808</u>
FIRE DEPARTMENT		
Land	40,280	40,280
Buildings	917,787	913,304
Fire Trucks	458,057	458,057
Service Equipment	34,959	34,959
Furniture & Fixtures	24,944	24,944
Miscellaneous	37,669	37,669
Total Fire Dept.	<u>1,513,696</u>	<u>1,509,213</u>
STREETS AND DRAINAGE		
Trucks	83,748	83,748
Service Equipment	13,961	13,961
Machinery & Equipment	126,892	100,011
Miscellaneous	5,081	5,081
Total Streets & Drainage Dept.	<u>229,682</u>	<u>202,801</u>

TOWN OF WOODWORTH, LOUISIANA

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS

Years Ended May 31, 2004 and 2003

(Continued)

	<u>2004</u>	<u>2003</u>
RECREATION		
Land	32,949	32,949
Buildings	63,849	63,849
Machinery & Equipment	11,434	11,434
Miscellaneous	153,642	153,642
Total Recreation Dept.	<u>261,874</u>	<u>261,874</u>
TOTAL FIXED ASSETS	<u>\$ 3,246,225</u>	<u>\$ 261,874</u>
INVESTMENT IN GENERAL FIXED ASSETS FROM		
General fund revenue	\$ 3,138,811	\$ 3,104,164
Capital projects funds	6,556	6,556
Special Revenue Funds	94,858	90,375
Contributions	<u>6,000</u>	<u>6,000</u>
Total investment in general fixed assets	<u>\$ 3,246,225</u>	<u>\$ 3,207,095</u>

See Notes to Financial Statements.

TOWN OF WOODWORTH, LOUISIANA

E-2

COMPARATIVE STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
 Years Ended May 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
GENERAL FIXED ASSETS, Beginning of year:	\$ 3,207,095	\$ 3,174,341
ADDITIONS:		
GENERAL AND ADMINISTRATIVE DEPARTMENT		
Automobiles	-	19,794
Service Equipment	1,143	-
POLICE DEPARTMENT		
Police Cars	28,447	82,744
Service Equipment	10,864	31,064
Office Equipment	949	9,075
FIRE DEPARTMENT		
Buildings	4,483	-
Furniture & Fixtures	-	19,726
STREET DEPARTMENT		
Machinery & Equipment	<u>62,552</u>	<u>-</u>
Total Additions	<u>108,438</u>	<u>162,403</u>
DEDUCTIONS:		
GENERAL AND ADMINISTRATIVE DEPARTMENT		
Automobiles	-	17,130
POLICE DEPARTMENT		
Police Cars	33,637	52,837
FIRE DEPARTMENT		
Buildings	-	47,331
Construction in process & fence	-	12,351
STREET DEPARTMENT		
Machinery & Equipment	<u>35,671</u>	<u>-</u>
Total Deductions	<u>69,308</u>	<u>129,649</u>
GENERAL FIXED ASSETS, End of year	<u>\$ 3,246,225</u>	<u>\$ 3,207,095</u>
See Notes to Financial Statements		

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on General Long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest are paid monthly and are accounted for in the funds from which paid.

TOWN OF WOODWORTH, LOUISIANA
 STATEMENT OF GENERAL LONG-TERM DEBT
 May 31, 2004

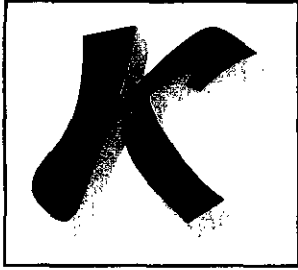
	2002 Certificate Of <u>Indebtedness</u>	2002 Lease <u>Purchase</u>	<u>Totals</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR PAYMENT OF GENERAL LONG-TERM DEBT			
Amount to be provided from excess revenue	<u>\$107,477</u>	<u>\$17,954</u>	<u>\$125,431</u>
GENERAL LONG-TERM DEBT PAYABLE			
Certificate of Indebtedness	\$107,477	\$ -	\$107,477
Capital Lease	<u>-</u>	<u>17,477</u>	<u>17,477</u>
Total General Long-Term Debt	<u>\$107,477</u>	<u>\$17,477</u>	<u>\$125,431</u>

See Notes to Financial Statements.

TOWN OF WOODWORTH
SUPPLEMENTAL INFORMATION SCHEDULES

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States.



Roland D. Kraushaar
Certified Public Accountant

1406 Texas Avenue Alexandria, LA 71301
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable David C. Butler II, Mayor
and Members of the Board of Aldermen
Town of Woodworth, Louisiana

I have audited the general purpose financial statements of the Town of Woodworth as of and for the year ended May 31, 2004, and have issued my report thereon dated October 20, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

This report is intended for the information of the Town Council, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Roland D. Kraushaar
Certified Public Accountant

October 20, 2004

REQUIRED SUPPLEMENTAL INFORMATION

**TOWN OF WOODWORTH
 REQUIRED SUPPLEMENTAL INFORMATION
 PER DIEM PAID COUNCIL
 YEAR ENDED MAY 31, 2004**

The Per Diem paid to the Council members is an expenditure of the general fund. According to Town ordinances, council members are paid \$ 350 for each regular meeting and \$ 175 for each special meeting. Particulars of the Per Diem paid to the council members for the year ended May 31, 2004, are as follows:

<u>COUNCIL MEMBERS</u>	<u>NUMBER OF MEETINGS ATTENDED</u>		
	<u>REGULAR</u>	<u>SPECIAL</u>	<u>PER DIEM</u>
Richard Bulter	12	1	\$4,375
Charles Reich	12	1	\$4,375
Gail Dunn	12	1	\$4,375
Jimmie S. Cranford	11	1	\$4,025
Michael R. Doiron	12	1	\$4,375