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TOWN OF MANSURA
MANSURA, LOUISIANA

AUDITOR'S REPORT
JUNE 30, 2004

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

Release Date 1-26-05

Roy K. Derbonne, Jr.
Certified Public Accountant
1101-A Bolton Avenue
Alexandria, Louisiana 71301

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
 <u>Basic Financial Statements</u>	
Government-Wide Financial Statements (GWFS)	
Statement of Net Assets	5
Statement of Activities	6
 <u>Fund Financial Statements (FFS)</u>	
Balance Sheet - Government Funds	9
Reconciliation of Governmental Funds Balance Sheet To the Statement of Net Asset	10
Statement of Revenues, Expenditures, and Changes in in Fund Balances Governmental Funds	11
Reconciliation of the Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	12
Statement of Net Assets - Proprietary Fund	13
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund	14
Statement of Cash Flows - Proprietary Fund	15-16
 Notes to Financial Statements	 17-29
 <u>Required Supplementary Information</u>	
Budgetary Comparison Schedules:	
General Fund	31
Sales Tax 1988 Fund	32
Sales Tax 2002 Fund	33
 <u>Other Supplementary Information</u>	
Budgetary Comparison Schedules:	
General Fund	
Revenues	35
Expenditures	36-37
Sales Tax 1988 Fund	
Expenditures	38-39
Sales Tax 2002 Fund	40-41
 Nonmajor Governmental Funds	
Combining Balance Sheet	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	43
 <u>Compliance and Internal Control</u>	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government</u> <u>Auditing Standards</u>	45-46

Schedule of Audit Results, Findings and Questioned Costs	<u>PAGE</u> 47-48
Management's Corrective Action Plan	49
Summary Schedule of Prior Audit Findings	50

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INDEPENDENT AUDITOR'S REPORT

The Honorable Harold Quebedeaux, Mayor,
and Members of the Town Council
Town of Mansura, Louisiana

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mansura, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Mansura, 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 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mansura, Louisiana, as of June 30, 2004, and the respective changes in financial position and cash flows where applicable, therefore for the year then ended in conformity with accounting principles generally accepted in the United States of America.

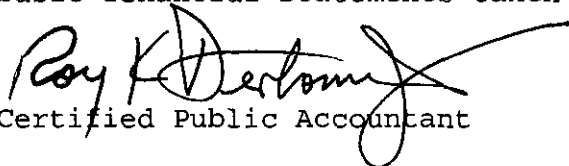
In accordance with Government Auditing Standards, I have also issued my report dated December 23, 2004, on my consideration of the Town of Mansura, Louisiana's internal control over financial reporting and my tests of it compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The required supplementary information on pages 31 through 33 is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of

management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

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

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mansura, Louisiana's basic financial statements. The other supplementary information on pages 35 through 43 is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.


Certified Public Accountant

Alexandria, Louisiana
December 23, 2004

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

TOWN OF MANSURA, LOUISIANA

STATEMENT OF NET ASSETS

JUNE 30, 2004

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and interest-bearing accts.	\$ 560,499	\$ 59,164	\$ 619,663
Investments	55,333	154,057	209,390
Receivables, net	16,092	7,758	23,850
Due from other governmental units	40,814	-	40,814
Due from/to other funds	(839)	839	-
Capital assets			
Nondepreciable assets	90,491	21,333	111,824
Depreciable assets, net	623,117	1,565,601	2,188,718
TOTAL ASSETS	1,385,507	1,808,752	3,194,259
LIABILITIES			
LIABILITIES			
Accounts and other payables	16,033	7,646	23,679
Accrued Salaries Payable	2,364	254	2,618
Other payables	304	-	304
Due to other funds	-	-	-
Capital Lease Obligation - due in one year	23,660	-	23,660
Capital Lease Obligation - due in more than one year	31,564	-	31,564
Accrued Payroll Taxes Payable	3,880	583	4,463
TOTAL LIABILITIES	77,805	8,483	86,288
NET ASSETS			
Investment in capital assets, net of related debt	653,572	1,586,934	2,240,506
Restricted for:			
Debt service	55,224	-	55,224
Reserved	212,562	-	212,562
Unrestricted	386,344	213,335	599,679
TOTAL NET ASSETS	\$ 1,307,702	\$ 1,800,269	\$ 3,107,971

The accompanying notes are an integral part of this statement

TOWN OF MANSURA, LOUISIANA

STATEMENT OF ACTIVITIES

JUNE 30, 2004

ACTIVITIES	EXPENSES	PROGRAM REVENUES		
		FEEES, FINES, AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities				
General government	\$ 125,107	\$ -	\$ 967	\$ -
Public Saftey				
Police Protection	213,584	43,812	-	1,382
Fire Protection	31,019	-	-	-
Recreation and Parks	4,771	-	2,000	-
Streets and sanitation	128,886	-	-	-
Interest on Capital Leases	2,960	-	-	-
Total current assets	<u>506,327</u>	<u>43,812</u>	<u>2,967</u>	<u>1,382</u>
Business-type activities				
Sewer	<u>170,279</u>	<u>93,041</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 676,606</u>	<u>\$ 136,853</u>	<u>\$ 2,967</u>	<u>\$ 1,382</u>

The accompanying notes are an intergral

NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS		
<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
\$ (124,140)	\$ -	\$ (124,140)
(168,390)		(168,390)
(31,019)	-	(31,019)
(2,771)	-	(2,771)
(128,886)	-	(128,886)
(2,960)	-	(2,960)
<u>(458,166)</u>	<u>-</u>	<u>(458,166)</u>
-	(77,238)	(77,238)
<u>(458,166)</u>	<u>(77,238)</u>	<u>(535,404)</u>

General revenues:

Taxes			
Property	23,467	-	23,467
Sales and use tax	261,815	-	261,815
Interest	7,315	3,977	11,292
Licenses and Permits	59,958	-	59,958
Intergovernmental	169,634	-	169,634
Utility Franchise Fees	77,593	-	77,593
Miscellaneous	14,559	-	14,559
Rent	9,900	-	9,900
Total General Revenues	<u>624,241</u>	<u>3,977</u>	<u>628,218</u>
Change in net assets	166,075	(73,261)	92,814
Net Assets, Beginning	<u>1,141,627</u>	<u>1,873,530</u>	<u>3,015,157</u>
Net Assets, Ending	<u>\$ 1,307,702</u>	<u>\$ 1,800,269</u>	<u>\$ 3,107,971</u>

part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS' DESCRIPTIONS

GENERAL FUND

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

SALES TAX 1988 FUND

To account for the receipts and expenditures of funds received from a 1% sales tax passed in 1988 by the residence of Mansura, Louisiana. The money in this fund is to be expended only for streets, drainage, public safety and any other lawful general fund expenditure.

SALES TAX 2002 FUND

To account for the receipts and expenditures of funds received from a 1% sales tax passed in 2002 by the residence of Mansura, Louisiana. The money in this fund is to be expended only for streets, drainage, public safety, sewer and any other lawful Corporate purpose.

TOWN OF MANSURA, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004

	GENERAL	SALES TAX 1988	SALES TAX 2002	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and interest bearing accounts.	\$ 322,560	\$ 60,629	\$ 164,558	\$ 12,752	\$ 560,499
Investments	55,333	-	-	-	55,333
Receivables					
Accounts	16,092	-	-	-	16,092
Due from other funds	3,840	-	-	-	3,840
Due from other other governmental units	19,458	10,678	10,678	-	40,814
TOTAL ASSETS	\$ 417,283	\$ 71,307	\$ 175,236	\$ 12,752	\$ 676,578
LIABILITES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 8,479	\$ 7,434	\$ -	\$ 120	\$ 16,033
Accrued salaries payable	2,364	-	-	-	2,364
Other Payables	304	-	-	-	304
Due to other funds	539	4,140	-	-	4,679
Accrued payroll taxes payable	3,880	-	-	-	3,880
Total Liabilities	15,566	11,574	-	120	27,260
Fund Balance					
Reserved	-	59,733	175,236	73	235,042
Unreserved	401,717	-	-	12,559	414,276
Total Fund Balance	401,717	59,733	175,236	12,632	649,318
TOTAL LIABILITIES AND AND FUND BALANCES	\$ 417,283	\$ 71,307	\$ 175,236	\$ 12,752	\$ 676,578

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

TOWN OF MANSURA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004

Total fund balances for governmental funds at June 30, 2004		\$ 649,318
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 90,491	
Depreciable assets, net of accumulated depreciation	<u>623,117</u>	713,608
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet		
		<u>55,224</u>
Net Asstes of Governmental Activities		<u><u>\$ 1,307,702</u></u>

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

TOWN OF MANSURA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	GENERAL FUND	SALES TAX 1988 FUND	SALES TAX 2002 FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 23,467	\$ 130,908	\$ 130,907	\$ -	\$ 285,282
Licenses and Permits	59,958	-	-	-	59,958
Intergovernmental	169,634	-	-	-	169,634
Franchise Fees	77,593	-	-	-	77,593
Rent	9,900	-	-	-	9,900
Interest	4,827	650	1,838	-	7,315
Fines	43,812	-	-	2,000	45,812
Miscellaneous	16,822	86	-	-	16,908
Total Revenues	<u>406,013</u>	<u>131,644</u>	<u>132,745</u>	<u>2,000</u>	<u>672,402</u>
EXPENDITURES					
General Government	76,455	34,872	2,302	2,932	116,561
Public Safety					
Police Protection	168,184	18,972	8,274	-	195,430
Fire Protection	-	13,624	17,395	-	31,019
Recreation and Parks	-	-	-	3,200	3,200
Streets and Sanitation	53,278	37,363	5,673	-	96,314
Debt Service	15,201	-	9,282	-	24,483
Capital Outlays	57,545	4,931	20,405	-	82,881
Total Expenditures	<u>370,663</u>	<u>109,762</u>	<u>63,331</u>	<u>6,132</u>	<u>549,888</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	35,350	21,882	69,414	(4,132)	122,514
OTHER FINANCING SOURCES (USES)					
Operating Transfers In (Out)	(4,973)	-	-	4,973	-
Proceeds from Capital Lease	46,300	-	-	-	46,300
Total other financ- ing sources (uses)	<u>41,327</u>	<u>-</u>	<u>-</u>	<u>4,973</u>	<u>46,300</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	76,677	21,882	69,414	841	168,814
FUND BALANCE, BEGINNING	<u>325,040</u>	<u>37,851</u>	<u>105,822</u>	<u>11,791</u>	<u>480,504</u>
FUND BALANCE, ENDING	<u>\$ 401,717</u>	<u>\$ 59,733</u>	<u>\$ 175,236</u>	<u>\$ 12,632</u>	<u>\$ 649,318</u>

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

TOWN OF MANSURA, LOUISIANA

RECONCILIATION OF THE REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED
JUNE 30, 2004

Net change in fund balances of Governmental Funds \$ 168,814

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances

\$ 82,880

Depreciation expense for the year ended June 30, 2004

(60,842)

22,038

Government funds report debt repayment, including interest, as expenditures. However, principal repayments do not appear in the statement of activities since the payment is applied against the debt balance on the statement of net assets.

7,967

Capital Leases provide current financial resources to governmental funds, but increase the long term liabilities in the statement of assets.

(32,744)

Net Asstes of Governmental Activities

\$ 166,075

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

TOWN OF MANSURA, LOUISIANA

PROPRIETARY FUND
SEWER SYSTEM FUND

STATEMENT OF NET ASSETS
JUNE 30, 2004

	BUSINES -TYPE ACTIVITIES ENTERPRISE FUND
ASSETS	
CURRENT ASSETS	
Cash and Interest-bearing deposits	\$ 59,164
Investments	154,057
Accounts Receivable, net	7,758
Due from Other Funds	839
Total Current Assets	<u>221,818</u>
NONCURRENT ASSETS	
Capital assets, net of accumulated depreciation	1,565,601
Land	21,333
Total Noncurrent assets	<u>1,586,934</u>
TOTAL ASSETS	<u>1,808,752</u>
LIABILITIES	
LIABILITIES	
Accounts Payable	7,646
Accrued Salaries Payable	254
Accrued Payroll Taxes	583
TOTAL LIABILITIES	<u>8,483</u>
NET ASSETS	
Investment in capital assets	1,586,934
Unrestricted	213,335
TOTAL NET ASSETS	<u>\$ 1,800,269</u>

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

TOWN OF MANSURA, LOUISIANA

PROPRIETARY FUND
SEWER SYSTEM FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2004

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
OPERATING REVENUES	
Sewer Fees	\$ 93,041
OPERATING EXPENSES	
Salaries	30,056
Payroll Taxes	2,823
Office Supplies and Postage	324
Supplies	11,469
EPA Reports	3,130
Utilities	20,504
Insurance	12,267
Legal and Audit	1,633
Engineering Fees	19,265
Dues and Fees	1,500
Repairs and Maintenance	20,644
Uniforms	512
Travel and Seminars	215
Bank Charges	58
Truck Gas and Maintenance	3,011
Certification Costs	317
Depreciation	42,551
Total Operating Expenses	<u>170,279</u>
OPERATING INCOME (LOSS)	(77,238)
NONOPERATING REVENUES (EXPENSES)	
Interest Income	<u>3,977</u>
NET INCOME (LOSS)	(73,261)
NET ASSETS, BEGINNING	<u>1,873,530</u>
NET ASSETS, ENDING	<u>\$ 1,800,269</u>

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

TOWN OF MANSURA, LOUISIANA

PROPRIETARY FUND
SEWER SYSTEM FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 92,174
Cash Payments for Goods and Services	(93,509)
Cash Payments to Employees	(29,802)
Net Cash Provided by Operating Activities	<u>(31,137)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating Transfers Out to Other Funds	-
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of Property, Plant and Equipment	(4,540)
Net Cash Used for Capital and Related Financing Activities	<u>(4,540)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Received on Investments	3,977
Investment in Certificates of Deposit	(2,766)
Net Cash Provided By/(Used) in Investing Activities	<u>1,211</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(34,466)
 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>93,630</u>
 CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 59,164</u>

(Continued)

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

TOWN OF MANSURA, LOUISIANA

PROPRIETARY FUND
SEWER SYSTEM FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004
(CONTINUED)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
	<u> </u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Revenue	\$ (77,238)
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:	
Depreciation	42,551
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(867)
(Increase) Decrease in Due from Other Funds	-
(Increase) Decrease in Other Receivables	(450)
Increase (Decrease) in Accounts Payable	3,276
Increase (Decrease) in Payroll Taxes Payable	437
Increase (Decrease) in Accrued Salaries Payable	-
Total Adjustments	<u>44,947</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (32,291)</u>
 RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	\$ 93,630
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>59,164</u>
NET INCREASE (DECREASE)	<u>\$ (34,466)</u>

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

TOWN OF MANSURA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE A SUMMARY OF ACCOUNTING POLICIES

The Town of Mansura was incorporated in 1860 and is operated under the provision of the Lawrson Act. The Town operates under a Mayor and a Board of Aldermen consisting of five members. Services provided to the citizens of Mansura include but are not limited to public safety, streets, sanitation, cultural - recreation, public improvements, and general administrative services.

The accounting and reporting policies of the Town of Mansura conform to generally accepted accounting principles as applicable to governmental units. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Some of the Town's more significant accounting policies are described as follows:

THE REPORTING ENTITY

Governmental Accounting Standards Board Statement 14 established criteria for determining which component units should be considered part of the Town of Mansura, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

Based upon the application of the above criteria, the following is a brief review of each potential component unit addressed in defining the Town's reporting entity:

The following organizations are related organizations which have not been included in the reporting entity:

Mansura Volunteer Fire Department-

The Mansura Volunteer Fire Department is governed by a group of volunteer citizens. The Mansura Volunteer Fire Department is not fiscally dependent

Town of Mansura, Louisiana

Notes to Financial Statements

June 30, 2004

(continued)

on the Town of Mansura; however, the Town of Mansura includes sales tax revenues received for the Volunteer Fire Department as part of its general fund.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categories activities as either governmental activities or business-type activities, which are described as follows:

Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.

Business-type activities rely on fees and charges for support and operates in a manner similar to private sector enterprises. Since proprietary funds operate in a manner similar to business enterprises, these funds follow certain pronouncements that are developed by the Financial Accounting Standards Board (FASB) for business enterprises. However, the Town only applies those FASB pronouncements that were issued on or before November 30, 1989.

The government-wide and fund financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues of the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets,

Town of Mansura, Louisiana
Notes to Financial Statements
June 30, 2004
(continued)

liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and business-type (enterprise) funds. Major individual funds are reported as separate columns in the fund financial statements. The Town's major funds are described as follows:

Major Governmental Funds

General Fund-

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

Sales Tax 1988 Fund-

This sales tax fund is a special revenue fund used to account for the proceeds of a 1% sales tax that are restricted for streets, drainage, public safety and other general fund expenditure.

Sales Tax 2002 Fund-

This sales tax fund is a special revenue fund used to account for the proceeds of a 1% sales tax to be expended for streets, drainage, public safety, sewer and any other general fund expenditure.

Major Business-Type Fund

Sewer System-

The sewer system fund is used to account for the operation of the Town's sewer system, which is supported by user charges and a portion of the above 1% sales tax.

Business-Type funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for sewer service.

Measurements Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurements focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b below.

Town of Mansura, Louisiana
Notes to Financial Statements
June 30, 2004
(continued)

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or long term) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlays) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Town of Mansura, Louisiana
Notes to Financial Statements
June 30, 2004
(continued)

BUDGETS

The following procedures are followed in establishing budgets for the Town:

1. The mayor and town clerk prepare a proposed budget based on estimated revenues and expenditures. The proposed budget is submitted to the Town Council.
2. The proposed budget is advertised in the local newspaper noting that the budget is available for inspection and informing the public as to the time and date of a public hearing regarding the proposed budget.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a public hearing.
4. After 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 revenues exceeding amounts estimated require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Town Council.

Cash and Cash Equivalents

For purpose of the statement of net assets, cash and interest-bearing deposits include all demand accounts, saving accounts, and certificates of deposits and highly liquid investments maturing in three months or less.

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

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. When the transaction occurs without expectation of repayment, the transaction is

Town of Mansura, Louisiana

Notes to Financial Statements
June 30, 2004
(continued)

reported as a transfer. Transfers are treated as revenue by the recipient fund and as an expense or expenditure by the providing fund. If the transfer is expected to be repaid, interfund receivables (due from) and payables (due to) are recorded.

Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and inter-governmental payments.

Business-type activities report customer's utility service receivables as the major receivable. Uncollectible utility service receivables 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.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Capital assets are depreciated using the straight-line method and estimated useful lives of 3 to 50 years. Useful lives are selected based on the expected resilience of each capital asset.

Restricted Assets

Restricted assets include cash and interest-bearing deposits that are legally restricted as to their use by various contractual obligations, including grant agreements, bond covenants and sales tax ordinances.

Town of Mansura, Louisiana
Notes to Financial Statements
June 30, 2004
(continued)

The following details the description and amount of all restricted assets as recorded by the Town:

A. SALES TAX	
1% tax collected to be expended for public safety, streets and drainage and general purposes	<u>\$ 60,629</u>
B. CAPITAL PROJECTS	
Reserved for the overlay of town streets per federal grant award	<u>\$ 73</u>
C. SALES TAX 02	
1% tax collected to be expended for public safety, streets, drainage, sewer and Corporate purposes	<u>\$164,558</u>

Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of capital lease obligations.

Long-term debt for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The Town does not allow compensated absences to their employees.

Equity Classifications

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

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

TOWN OF MANSURA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

(CONTINUED)

- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified a reserved and unreserved. Proprietary fund equity is classified the same as in the government-wide statements.

Investments

The Town may invest in U. S. Government Securities, Certificates of Deposit, Passbooks, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds, including FDIC insurance.

Investments of the Town are six month certificates of deposit.

Investments are recorded at cost.

Use of Estimates

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

Note B Cash, Interest Bearing Deposits and Investments

At year end, cash and certificates of deposit totaled \$829,052 per the general ledger and \$834,382 per bank balances.

Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2004 the Town's accounts were adequately secured from risk by FDIC insurance and pledged securities totaling \$925,823. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statue 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

TOWN OF MANSURA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004
 (CONTINUED)

The following is a list of the Town's funds which are in interest bearing accounts or certificates of deposit:

	<u>RATE</u>	<u>MATURITY DATES</u>	<u>AMOUNTS</u>
General Fund			
Operating	1.3	Daily	\$319,462
Escrow	1.3	Daily	3,098
Certificate of Deposit #243817	1.5	11/15/04	21,923
Certificate of Deposit #244066	1.5	9/17/04	33,410
Special Revenue Funds			
Sales Tax Fund	1.3	Daily	60,629
Sales Tax Fund 02	1.5	Daily	164,558
Enterprise Fund			
Operating	1.5	Daily	36,375
Operating Certificate of Deposit #244155	1.5	10/27/04	74,985
Operating Certificate of Deposit #243930	1.5	8/2/04	79,072
Bond and Interest	1.5	Daily	22,789

Note C Ad Valorem Taxes

The Town collects property tax on assessed values of property within its corporate limits. The taxes attach as an enforceable lien as of January 1 of each year. For the year ended June 30, 2004, taxes of 5.07 mills were levied on property with assessed valuations totaling \$5,427,230 and were dedicated for general maintenance.

Note D Receivables

Receivables at June 30, 2004 consisted of the following:

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>
Charges for services, net	\$ -	\$ 7,758
Property taxes	357	-
Franchise Fees	15,735	-
Total receivables	<u>\$ 16,092</u>	<u>\$ 7,758</u>
Due from Other Governments		
Sales taxes	\$ 21,357	\$ -
APPJ Casino Revenue Sharing	6,062	-
State Video Poker	13,395	-
Total due from other Governments	<u>\$ 40,814</u>	<u>\$ -</u>

TOWN OF MANSURA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004
 (CONTINUED)

NOTE E INTERFUND RECEIVABLES, PAYABLES

Interfund receivables and payables are as follows:

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$ 3,840	\$ 539
Special Revenue Funds -		
Sales Tax 1988 Fund	-	4,140
Enterprise Fund	839	-
Totals	<u>\$ 4,679</u>	<u>\$ 4,679</u>

Note F CAPITAL ASSETS

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

<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
\$ 90,491	\$ -	\$ -	\$ 90,491
279,503	22,387	-	301,890
475,805	5,468	-	481,273
226,962	55,205	-	282,167
<u>982,270</u>	<u>83,060</u>	<u>-</u>	<u>1,065,330</u>
(381,372)	(56,492)	-	(442,213)
<u>600,898</u>	<u>26,568</u>	<u>-</u>	<u>623,117</u>
<u>\$ 691,389</u>	<u>\$ 26,568</u>	<u>\$ -</u>	<u>\$ 713,608</u>
\$ 21,333	\$ -	\$ -	\$ 21,333
1,926,143	-	-	1,926,143
45,580	4,540	-	50,120
56,120	-	-	56,120
18,077	-	-	18,077
<u>2,045,920</u>	<u>4,540</u>	<u>-</u>	<u>2,050,460</u>
(442,307)	(42,551)	-	(484,859)
<u>1,603,613</u>	<u>(38,011)</u>	<u>-</u>	<u>1,565,601</u>
<u>\$ 1,624,946</u>	<u>\$ (38,011)</u>	<u>\$ -</u>	<u>\$ 1,586,934</u>

TOWN OF MANSURA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004
 (CONTINUED)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 8,545
Police Protection	18,154
Streets and Sanitation	32,572
Recreation and Parks	1,571
Total depreciation expense	<u>\$ 60,842</u>

Depreciation expense charged to business-type activities was \$42,551.

NOTE G CHANGES IN GENERAL LONG-TERM DEBT

The annual requirement to retire long-term debt as of June 30, 2004 is as follows:

	June 30, 2003	Additions	Debt Retired	June 30, 2004
John Deere Tractor	<u>\$ 30,448</u>	<u>\$ -</u>	<u>\$ 7,968</u>	<u>\$ 22,480</u>
Ford Motor Credit-2 Ford Crown Victorias	<u>\$ -</u>	<u>\$ 46,300</u>	<u>\$ 13,556</u>	<u>\$ 32,744</u>
TOTALS	<u>\$ 30,448</u>	<u>\$ 46,300</u>	<u>\$ 21,524</u>	<u>\$ 55,224</u>

NOTE H CAPITAL LEASE OBLIGATIONS

The Town has two capital lease obligations.

On February 7, 2002, the Town signed a lease-purchase for a John Deere tractor, financing \$40,330, bearing interest at the rate of 4.9%, payable in 60 installments beginning in February 23, 2002 and ending January 23, 2007. This lease is secured by sales tax revenues.

Future lease payments due under this capital lease agreement are as follows:

YEAR ENDING JUNE 30,	John Deere Tractor		
	PRINCIPAL	INTEREST	TOTAL
2005	\$ 8,367	\$ 915	\$ 9,282
2006	8,786	496	9,282
2007	5,327	87	5,414
TOTALS	<u>\$ 22,480</u>	<u>\$ 1,498</u>	<u>\$ 23,978</u>

During the current fiscal year, on September 24, 2003, the Town entered into a lease-purchase arrangement with Ford Motor Credit Company for two Ford Crown Victoria cars, financing \$46,300, bearing 5% interest, payable

TOWN OF MANSURA, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004
 (CONTINUED)

in 36 monthly installments beginning October 3, 2003 and ending September 3, 2006. The lease is secured by sales tax and casino revenue sharing funds.

Future lease payments due under this capital lease agreement are as follows:

YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2005	\$ 15,293	\$ 1,290	\$ 16,583
2006	16,076	507	16,583
2007	1,375	6	1,381
TOTALS	\$ 32,744	\$ 1,803	\$ 34,547

NOTE I RETIREMENT COMMITMENTS

The Town of Mansura has no retirement commitments or pension plan for its employees.

NOTE J COMPENSATION OF ELECTED OFFICIALS

Mayor	
Harold Quebedeaux	\$ 2,295
Aldermen	
Julia Boston	625
Conrad Deshotel	-
Connie Ducote	575
Gaon Escude	675
Annette Gaspard	525

NOTE K LEASES

At June 30, 2004, the Town of Mansura, Louisiana, had the following lease commitments:

The Town leased to the Mansura Chamber of Commerce, Inc., a Non-Profit Organization, a building complex known as the "Mansura Pavilion" for \$1 a year for 20 years beginning April 1, 1990, with an option to lease said property for an additional 20 year period beginning April 1, 2009.

NOTE L LITIGATION

At June 30, 2004, the Town was a defendant in various lawsuits, which normally occur in government operations. These legal proceedings are not likely to have a material adverse impact on the funds of the Town of Mansura, Louisiana. The Town's liability is not expected to exceed the amount of its insurance coverage.

Town of Mansura, Louisiana
Notes to Financial Statements
June 30, 2004
(continued)

NOTE M EXPENDITURES OVER APPROPRIATIONS

The following funds of the Town of Mansura, Louisiana, at June 30, 2004, had expenditures which exceeded appropriations before operating transfers in.

The following individual funds have actual expenditures over budgeted expenditures for the year ended June 30, 2003.

	BUDGET	ACTUAL	UNFAVORABLE VARIANCE
General Fund	\$ 361,950	\$ 370,662	\$ (8,712)

NOTE N RISK MANAGEMENT

The Town is exposed to risks of loss in the areas of theft, torts, property hazards, general and vehicle liability, errors and omissions, natural causes and workman's compensation. These risks are covered by commercial insurance coverage. All previous losses have not exceeded the insurance coverage.

NOTE O SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Town has one enterprise fund, providing sewerage services. Segment information for the year ended June 30, 2004 follows:

	Totals
Operating Revenues	\$ 93,041
Depreciation	42,551
Other expenses	127,728
Total operating expense	170,279
Operating Income (Loss)	\$ (77,238)
Net Income (Loss)	(73,261)
Additions Plant, Property and Equip.	4,540
Net Working Capital	213,335
Total Assets	1,808,752
Total Net Assets	1,873,530

REQUIRED
SUPPLEMENTARY INFORMATION

TOWN OF MANSURA, LOUISIANA

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 32,000	\$ 32,000	\$ 27,413	\$ (4,587)
Licenses and Permits	54,000	54,000	59,958	5,958
Intergovernmental	145,500	145,500	165,688	20,188
Franchise Fees	77,000	77,000	77,593	593
Rent	10,000	10,000	9,900	(100)
Interest	2,000	2,000	4,827	2,827
Fines	40,000	40,000	43,812	3,812
Miscellaneous	11,450	11,450	16,822	5,372
Total Revenues	<u>371,950</u>	<u>371,950</u>	<u>406,013</u>	<u>34,063</u>
EXPENDITURES				
General Government	79,935	79,935	76,454	3,481
Public Safety				
Police Protection	163,355	170,930	168,184	2,746
Fire Protection	-	-	-	-
Recreation and Parks	-	-	-	-
Streets and Sanitation	87,660	87,660	53,278	34,382
Debt Service	-	-	15,201	(15,201)
Capital Outlays	31,000	23,425	57,545	(34,120)
Total Expenditures	<u>361,950</u>	<u>361,950</u>	<u>370,662</u>	<u>(8,712)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,000	10,000	35,351	25,351
OTHER FINANCING SOURCES (USES)				
Operating Transfers In (Out)	(10,000)	(10,000)	(4,973)	5,027
Proceeds from Capital Lease	-	-	46,300	46,300
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>41,327</u>	<u>51,327</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	-	-	76,678	76,678
FUND BALANCE, BEGINNING	-	-	325,039	325,039
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 401,717</u>	<u>\$ 401,717</u>

TOWN OF MANSURA, LOUISIANA

SALES TAX 1988 FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Sales Tax Revenues	\$ 140,000	\$ 140,000	\$ 130,908	\$ (9,092)
Interest Received	-	-	650	650
Miscellaneous	-	-	86	86
Total Revenues	<u>140,000</u>	<u>140,000</u>	<u>131,644</u>	<u>(8,356)</u>
EXPENDITURES				
General Government	45,450	45,450	34,872	10,578
Public Safety				
Police Protection	17,000	17,000	18,972	(1,972)
Fire Protection	21,000	21,000	13,624	7,376
Recreation and Parks	-	-	-	-
Streets and Sanitation	51,550	51,550	37,363	14,187
Capital Outlays	5,000	5,000	4,931	69
Total Expenditures	<u>140,000</u>	<u>140,000</u>	<u>109,762</u>	<u>30,238</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	21,882	21,882
FUND BALANCE, BEGINNING	-	-	37,851	37,851
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,733</u>	<u>\$ 59,733</u>

TOWN OF MANSURA, LOUISIANA

SALES TAX 2002 FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Sales Tax Revenues	\$ 140,000	\$ 140,000	\$ 130,907	\$ (9,093)
Interest Received	-	-	1,838	1,838
Total Revenues	<u>140,000</u>	<u>140,000</u>	<u>132,745</u>	<u>(7,255)</u>
EXPENDITURES				
General Government	4,000	4,000	2,302	1,698
Public Safety				
Police Protection	10,000	10,000	8,274	1,726
Fire Protection	18,500	18,500	17,395	1,105
Recreation and Parks	-	-	-	-
Streets and Sanitation	46,200	46,200	5,673	40,527
Debt Service	10,000	10,000	9,282	718
Sewer Expenditures	23,800	23,800	-	23,800
Capital Outlays	27,500	27,500	20,405	7,095
Total Expenditures	<u>140,000</u>	<u>140,000</u>	<u>63,331</u>	<u>76,669</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	69,414	69,414
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>105,822</u>	<u>105,822</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,236</u>	<u>\$ 175,236</u>

OTHER
SUPPLEMENTARY INFORMATION

TOWN OF MANSURA, LOUISIANA

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 32,000	\$ 32,000	\$ 27,413	\$ (4,587)
Licenses and Permits	54,000	54,000	59,958	5,958
Intergovernmental	145,500	145,500	165,688	20,188
Franchise Fees	77,000	77,000	77,593	593
Rent	10,000	10,000	9,900	(100)
Interest	2,000	2,000	4,827	2,827
Fines	40,000	40,000	43,812	3,812
Miscellaneous	11,450	11,450	16,822	5,372
Total Revenues	<u>\$ 371,950</u>	<u>\$ 371,950</u>	<u>\$ 406,013</u>	<u>\$ 34,063</u>

TOWN OF MANSURA, LOUISIANA

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
GENERAL GOVERNMENT				
Per Diem, Mayor and Council	\$ 6,500	\$ 6,500	\$ 4,695	\$ 1,805
Administrative Salaries	27,180	27,180	26,894	286
Payroll Taxes	2,500	2,500	2,232	268
Animal Control	-	-	797	(797)
Bank Charges	50	50	237	(187)
Beautification	-	-	282	(282)
Building Maintenance	3,000	3,000	734	2,266
Christmas Supplies	-	-	384	(384)
Cleco Building Expenditures	-	-	1,236	(1,236)
Contract Labor	-	-	2,990	(2,990)
Drug Testing	-	-	2,470	(2,470)
Defosse' Home Expenditures	-	-	2,254	(2,254)
Dues	500	500	408	92
Feeding Inmate Workers	-	-	34	(34)
Fees - Tax Assessor	-	-	1,175	(1,175)
Fees - Magistrate	-	-	120	(120)
Fees - Professional	-	-	40	(40)
Fees - Tax Collector	700	700	624	76
Festival Expenditures	-	-	-	-
Insurance	16,000	16,000	10,019	5,981
Legal and Auditing	10,000	10,000	7,153	2,847
Mayor's Expenditures	-	-	167	(167)
Meals	-	-	343	(343)
Miscellaneous	3,725	3,725	2,089	1,636
Office Supplies and Postage	2,780	2,780	2,404	376
Printing and Publishing	500	500	510	(10)
Town Hall Supplies	-	-	449	(449)
Telephone	500	500	311	189
Travel and Conventions	2,500	2,500	1,800	700
Utilities	3,500	3,500	3,603	(103)
Total General Government Expenditures	<u>\$ 79,935</u>	<u>\$ 79,935</u>	<u>\$ 76,454</u>	<u>\$ 3,481</u>
Police Protection				
Salaries	\$ 113,355	\$ 117,880	\$ 123,340	\$ (5,460)
Payroll Taxes	10,000	10,000	8,715	1,285
Building Repairs	-	-	585	(585)
Car Fuel and Repairs	7,000	10,350	11,147	(797)
Citations and Convictions	3,000	2,500	2,265	235
Coroner's Fees	-	-	200	(200)

(Continued)

TOWN OF MANSURA, LOUISIANA

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2004
 (CONTINUED)

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
PUBLIC SAFETY				
Police Protection - Continued				
Dues	\$ -	\$ -	\$ 236	\$ (236)
Insurance	11,000	11,000	5,394	5,606
Miscellaneous	5,000	5,908	2,263	3,645
Office Supplies	1,500	2,900	1,683	1,217
Supplies	4,000	2,792	5,002	(2,210)
Telephone	1,500	1,500	2,225	(725)
Travel, Tranining and Conventions	4,000	4,000	2,806	1,194
Uniforms	3,000	2,100	1,988	112
Utilities	-	-	335	(335)
Total Police Protection Expenditures	<u>\$ 163,355</u>	<u>\$ 170,930</u>	<u>\$ 168,184</u>	<u>\$ 2,746</u>
Fire Protection	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
STREETS AND SANITATION				
Salaries	\$ 69,120	\$ 69,120	\$ 37,815	\$ 31,305
Payroll Taxes	5,340	5,340	2,672	2,668
Insurance	2,000	2,000	5,920	(3,920)
Street Repairs	2,000	2,000	3,453	(1,453)
Supplies	-	-	142	(142)
Truck Fuel and Repairs	2,000	2,000	291	1,709
Tractor Fuel and Repairs	3,000	3,000	-	3,000
Uniforms	2,200	2,200	785	1,415
Waste Disposal	2,000	2,000	2,200	(200)
Total Streets and Sanitation Expenditures	<u>\$ 87,660</u>	<u>\$ 87,660</u>	<u>\$ 53,278</u>	<u>\$ 34,382</u>
DEBT SERVICE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,201</u>	<u>\$ (15,201)</u>
CAPITAL OUTLAYS				
General Government	\$ 3,000	\$ 3,000	\$ -	\$ 3,000
Police Protection	20,000	12,425	52,545	(40,120)
Street and Sanitation	8,000	8,000	-	8,000
Recreation and Parks	-	-	5,000	(5,000)
Total Capital Outlay Expenditures	<u>\$ 31,000</u>	<u>\$ 23,425</u>	<u>\$ 57,545</u>	<u>\$ (34,120)</u>
TOTAL EXPENDITURES	<u>\$ 361,950</u>	<u>\$ 361,950</u>	<u>\$ 370,662</u>	<u>\$ (8,712)</u>

TOWN OF MANSURA, LOUISIANA

SALES TAX 1988 FUND
 BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		WITH FINAL BUDGET POSITIVE (NEGATIVE)
GENERAL GOVERNMENT				
Animal Control	\$ 3,200	\$ 3,200	\$ 84	\$ 3,116
Bank Charges	-	-	12	(12)
Building Maintenance	2,000	2,000	1,122	878
Defosse' Home Expenditures	-	-	316	(316)
Drug Testing	-	-	130	(130)
Dues	525	525	30	495
Feeding Inmate Workers	-	-	1,152	(1,152)
Festival Expenditures	3,000	3,000	-	3,000
Insurance	2,500	2,500	1,197	1,303
Legal and Auditing	2,500	2,500	1,633	867
Mayor's Expenditures	-	-	289	(289)
Miscellaneous	-	-	-	-
Office Equipment Repair	500	500	420	80
Office Supplies and Postage	1,475	1,475	1,642	(167)
Pest Control	350	350	308	42
Printing and Publishing	2,500	2,500	1,806	694
Town Hall Supplies	800	800	1,453	(653)
Telephone	3,000	3,000	5,054	(2,054)
Travel and Conventions	3,500	3,500	308	3,192
Utilities	19,600	19,600	17,916	1,684
Total General Government Expenditures	<u>\$ 45,450</u>	<u>\$ 45,450</u>	<u>\$ 34,872</u>	<u>\$ 10,578</u>
PUBLIC SAFETY				
Police Protection				
Car Fuel and Repairs	\$ 9,000	\$ 9,000	\$ 9,100	\$ (100)
Equipment Repairs	1,200	1,200	546	654
Feeding Prisoners	-	-	152	(152)
Insurance	3,800	3,800	4,663	(863)
Medical	-	-	43	(43)
Miscellaneous	-	-	110	(110)
Office Supplies	1,500	1,500	675	825
Printing and Publishing	500	500	24	476
Supplies	-	-	1,135	(1,135)

(Continued)

TOWN OF MANSURA, LOUISIANA

SALES TAX 1988 FUND
 BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2004
 (CONTINUED)

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
PUBLIC SAFETY (Continued)				
Telephone	\$ -	-	1,324	(1,324)
Uniforms	1,000	1,000	1,073	(73)
Utilities	-	-	127	(127)
Total Police Protection Expenditures	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 18,972</u>	<u>\$ (1,972)</u>
Fire Protection	<u>\$ 21,000</u>	<u>\$ 21,000</u>	<u>\$ 13,624</u>	<u>7,376</u>
STREETS AND SANITATION				
Salaries	\$ 13,520	\$ 13,520	\$ 261	\$ 13,259
Payroll Taxes	1,034	1,034	20	1,014
Contract Labor	3,000	3,000	-	3,000
Equipment Repairs	8,296	8,296	4,227	4,069
Feeding Inmate Workers	1,000	1,000	1,426	(426)
Insurance	5,000	5,000	2,932	2,068
Medical	-	-	2	(2)
Printing and Publishing	200	200	45	155
Street Repairs	3,000	3,000	1,319	1,681
Supplies	6,000	6,000	4,656	1,344
Tractor Fuel and Repairs	4,000	4,000	4,064	(64)
Truck Fuel and Repairs	6,000	6,000	9,614	(3,614)
Uniforms	500	500	1,138	(638)
Utilities	-	-	7,659	(7,659)
Total Streets and Sanitation Expenditures	<u>\$ 51,550</u>	<u>\$ 51,550</u>	<u>\$ 37,363</u>	<u>\$ 14,187</u>
CAPITAL OUTLAYS				
General Government	\$ 0	\$ 0	\$ 304	\$ (304)
Police Protection	4,000	4,000	3,687	313
Street and Sanitation	1,000	1,000	940	60
Total Capital Outlay Expenditures	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 4,931</u>	<u>\$ 69</u>
TOTAL EXPENDITURES	<u>\$ 140,000</u>	<u>\$ 140,000</u>	<u>\$ 109,762</u>	<u>\$ 30,238</u>

TOWN OF MANSURA, LOUISIANA

SALES TAX 2002 FUND
 BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2004

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
GENERAL GOVERNMENT				
Bank Charges	\$ 500	\$ 500	\$ 12	\$ 488
Insurance	500	500	451	49
Office Supplies and Postage	500	500	4	496
Town Hall Supplies	500	500	68	432
Travel and Conventions	2,000	2,000	1,767	233
Total General Government Expenditures	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 2,302</u>	<u>\$ 1,698</u>
PUBLIC SAFETY				
Police Protection				
Car Fuel and Repairs	\$ 4,000	\$ 4,000	\$ 3,932	\$ 68
Cell Phone and Pagers	1,500	1,500	1,260	240
Dues	500	500	200	300
Equipment Repairs	500	500	506	(6)
Insurance	1,000	1,000	1,026	(26)
Miscellaneous	500	500	340	160
Office Supplies	500	500	264	236
Supplies	500	500	567	(67)
Travel and Training	500	500	47	453
Uniforms	500	500	132	368
Total Police Protection Expenditures	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 8,274</u>	<u>\$ 1,726</u>
Fire Protection	<u>\$ 18,500</u>	<u>\$ 18,500</u>	<u>\$ 17,395</u>	<u>1,105</u>

TOWN OF MANSURA, LOUISIANA

SALES TAX 2002 FUND
 BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2004
 (CONTINUED)

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
STREETS AND SANITATION				
Contract Labor	\$ 1,000	\$ 1,000	\$ 88	\$ 912
Insurance	17,000	17,000	4,353	12,647
Truck Fuel and Repairs	17,000	17,000	353	16,647
Uniforms	1,200	1,200	129	1,071
Utilities	10,000	10,000	750	9,250
Total Streets and Sanitation Expenditures	<u>\$ 46,200</u>	<u>\$ 46,200</u>	<u>\$ 5,673</u>	<u>\$ 40,527</u>
DEBT SERVICE	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 9,282</u>	<u>\$ 718</u>
SEWER EXPENDITURES	<u>\$ 23,800</u>	<u>\$ 23,800</u>	<u>\$ -</u>	<u>\$ 23,800</u>
CAPITAL OUTLAYS				
General Government	\$ 1,000	\$ 1,000	\$ 393	\$ 607
Police Protection	21,500	21,500	19,872	1,628
Street and Sanitation	5,000	5,000	140	4,860
Total Capital Outlay Expenditures	<u>\$ 27,500</u>	<u>\$ 27,500</u>	<u>\$ 20,405</u>	<u>\$ 7,095</u>
TOTAL EXPENDITURES	<u>\$ 140,000</u>	<u>\$ 140,000</u>	<u>\$ 63,331</u>	<u>\$ 76,669</u>

TOWN OF MANSURA, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2004

	RECREATION AND PARK FUNDS	CAPITAL PROJECT FUND	TOTAL
ASSETS			
Cash and interest-bearing account	\$ 12,679	\$ 73	\$ 12,752
TOTAL ASSETS	<u>\$ 12,679</u>	<u>\$ 73</u>	<u>\$ 12,752</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts and other payables	\$ 120	\$ -	\$ 120
Total Liabilities	120	-	120
FUND BALANCES			
Reserved	12,559	73	12,632
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,679</u>	<u>\$ 73</u>	<u>\$ 12,752</u>

TOWN OF MANSURA, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004

	RECREATION AND PARK FUND	CAPITAL PROJECT FUND	TOTAL
REVENUES			
Donations	\$ 2,000	\$ -	\$ 2,000
EXPENDITURES			
General Government	2,932	-	2,932
Recreation and Parks	3,200	-	3,200
Total Expenditures	<u>6,132</u>	<u>-</u>	<u>6,132</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,132)	-	(4,132)
OTHER FINANCING SOURCES			
Operating Transfers In	<u>4,973</u>	<u>-</u>	<u>4,973</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	841	-	841
FUND BALANCE, BEGINNING	<u>11,718</u>	<u>73</u>	<u>11,791</u>
FUND BALANCE, ENDING	<u>\$ 12,559</u>	<u>\$ 73</u>	<u>\$ 12,632</u>

COMPLIANCE AND INTERNAL CONTROL

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Member
Society of Louisiana C.P.A.'s

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

The Honorable Mayor and Members
of the Town Council
Town of Mansura, Louisiana

I have audited the financial statements of the Town of Mansura, Louisiana, as of and for the year ended June 30, 2004, and have issued my report thereon dated December 23, 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 Mansura, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings and questioned costs as items A-1 and A-2.

Internal Control Over Financial Reporting

In planning and performing my audit I considered the Town of Mansura, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure 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 management, others within the organization, and the Town Council and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a matter of public record and its distribution is not limited.


Certified Public Accountant

Alexandria, Louisiana
December 23, 2004

TOWN OF MANSURA, LOUISIANA

SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2004

PART I - SUMMARY OF AUDITOR'S RESULTS

An unqualified opinion was issued on the financial statements.

The report on internal control included no reportable conditions.

The audit disclosed two instances of noncompliance that are considered to be material to the financial statements.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDADNCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

FINDING A-1 - TIMELY DEPOSIT OF FINES AND FORFEITURES

Louisiana Revised Statue 39:1212 states that all funds of a municipality shall be deposited daily whenever practical. During the audit it was noted that fines and forfeitures collected were not being deposited in a timely manner. The monies are collected and deposited by the police department personnel, mainly the police clerk. Deposits were timely made for the first four months of the fiscal year, then after that four month period, they were only being deposited once a month. The police chief is responsible for seeing that the police clerk deposits the monies collected in timely manner and so comply with Revised Statue 39:1212. In a discussion with the chief, he stated that he relied on the clerk to perform her duties and that he had not reviewed the deposit of fines on periodic basis.

RECOMMENDATION

All monies collected by the police personnel should be deposited within one day of receipt. The police chief is to ensure that all monies are timely deposited. The police chief should review the receipts as compared to deposits made by the police clerk on a timely basis, preferably at least every two weeks in the beginning and once a month after he sees that the deposits are being made according to Louisiana law. Following this recommendation should ensure that the funds are timely deposited.

FINDING A-2 - THEFT OF PUBLIC FUNDS

During the course of my audit it was discovered that there were receipts issued for monies collected by the police department which were not deposited into the Town's fiscal bank. The police clerk was responsible for the collection and deposit of the monies received by the police department for fines, forfeitures and police reports issued. There was no supervision or review of this function of the police clerk by any police department or other town personnel. As a result, some of the town's money was not deposited and is missing. The investigation into this finding is being handle by the Louisiana State Police in conjunction with the Avoyelles Parish District Attorney's Office.

RECOMMENDATION

The receipt, collection and deposit of police funds should be reviewed at least once a month by, a person or committee appointed by the council or mayor. The person or committee doing the review should compare the receipts issued to the monies deposited

TOWN OF MANSURA, LOUISIANA

SCHEDULE OF AUDIT RESULTS, FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2004
(Continued)

and resolve discrepancies. This person or committee should not include any police personnel.

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS REQUIRED TO BE REPORTED
IN ACCORDANCE WITH OMB CIRCULAR A-133

Not applicable.

TOWN OF MANSURA, LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2004

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

<u>Finding</u>	<u>Response</u>
<u>Timely Deposit of Fines</u> Louisiana Revised Statue 39:1212 states that all funds of a municipality shall be deposited daily whenever practical. During the audit it was noted that fines and forfeitures collected were not being deposited in a timely manner.	 The police chief will review the deposits made by the police personnel every two weeks for the first two months after a new clerk is hired and then at lease once a month thereafter.
<u>Theft of Public Funds</u> During the course of my audit it was discovered that there were receipts issued for monies collected by the police department which were not deposited into the Town's fiscal bank.	 A person not part of the police department will review the receipts and deposits of the police clerk to verify that they are being made in accordance with Louisiana Revised Statue 39:1212.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings.

No response.

SECTION III - MANAGEMENT LETTER

No findings were reported in a management letter to the Mayor and Town Council.

No response.

TOWN OF MANSURA, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2004

There were no prior audit findings.