

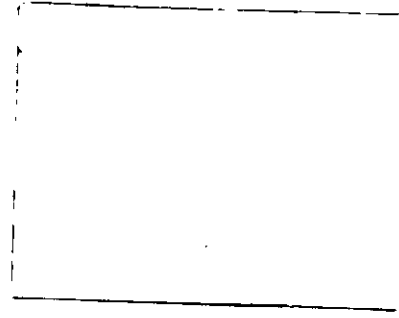
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VILLAGE OF MOREAUVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2004



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

Release Date 1-26-05

TABLE OF CONTENTS

| | Page |
|---|-------|
| Independent Auditors' Report | 1-2 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS) | |
| Statement of net assets | 5 |
| Statement of activities | 6 |
| FUND FINANCIAL STATEMENTS (FFS) | |
| Balance sheet - governmental funds | 9 |
| Reconciliation of the governmental funds balance sheet to the statement of net assets | 10 |
| Statement of revenues, expenditures, and changes in fund balances- governmental funds | 11 |
| Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities | 12 |
| Combining statement of net assets - proprietary funds | 13 |
| Combining statement of revenues, expenses, and changes in fund net assets - proprietary funds | 14-15 |
| Combining statement of cash flows - proprietary funds | 16-17 |
| Notes to basic financial statements | 18-36 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Budgetary comparison schedules: | |
| General Fund | 38 |
| Special Revenue Fund | 39 |

(continued)

TABLE OF CONTENTS (continued)

| | <u>Page</u> |
|--|-------------|
| OTHER SUPPLEMENTARY INFORMATION | |
| OTHER FINANCIAL INFORMATION | |
| General Fund - budgetary comparison schedule- revenues | 42-43 |
| General Fund - budgetary comparison schedule- expenditures | 44-45 |
| Debt Service Fund - budgetary comparison schedule | 46 |
| Capital Projects Fund - budgetary comparison schedule | 47 |
| Schedule of utility customers (unaudited) | 48 |
| Schedule of insurance in force (unaudited) | 49 |
| Comparative departmental analysis of revenues and expenses - utility fund | 50 |
| COMPLIANCE AND INTERNAL CONTROL | |
| Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> | 52-53 |
| Summary schedule of current and prior year audit findings and corrective action plan | 54 |

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

The Honorable Lionel J. Bordelon, Jr., Mayor
and Members of the Board of Aldermen
Village of Moreauville, Louisiana

We have audited the accompanying general purpose financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Moreauville, Louisiana, as of and for the year ended June 30, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Moreauville, Louisiana, as of June 30, 2004, the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Village has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as of June 30, 2004.

In accordance with Government Auditing Standards, we have also issued a report dated September 1, 2004, on our consideration of the Village of Moreauville's internal control over financial reporting and our tests of its compliance with 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. In addition, we have also issued a management letter dated September 1, 2004 identifying conditions that we believe are necessary to bring to your attention.

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The required supplementary information on pages 38 through 41 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Moreauville, Louisiana basic financial statements. The financial information listed as "other supplementary information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Moreauville, Louisiana. Such information, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the basic financial statements for the Village of Moreauville, Louisiana.

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

Marksville, Louisiana
September 1, 2004

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Statement of Net Assets

June 30, 2004

With Comparative Totals for June 30, 2003

| | 2004 | | Total | 2003 Totals |
|---|----------------------------|-----------------------------|---------------------|---------------------|
| | Governmental Activities | Business-Type Activities | | |
| ASSETS | | | | |
| Current assets: | | | | |
| Demand deposits | \$ 116,735 | \$ 15,648 | \$ 132,383 | \$ 148,867 |
| Time deposits | 75,362 | 62,387 | 137,749 | 117,124 |
| Receivables, net | 26,365 | 39,400 | 65,765 | 66,487 |
| Internal balances | (30,683) | 30,683 | - | - |
| Due from other governmental units | 2,723 | 30,862 | 33,585 | 68,541 |
| Inventory | - | 27,329 | 27,329 | 27,329 |
| Prepaid items | 14,709 | 21,537 | 36,246 | 24,388 |
| Total current assets | <u>205,211</u> | <u>227,846</u> | <u>433,057</u> | <u>452,736</u> |
| Noncurrent assets: | | | | |
| Restricted assets: | | | | |
| Demand deposits | - | 55,244 | 55,244 | 52,234 |
| Time deposits | - | 31,000 | 31,000 | 31,000 |
| Capital assets, net | 273,360 | 3,063,459 | 3,336,819 | 2,961,928 |
| Total noncurrent assets | <u>273,360</u> | <u>3,149,703</u> | <u>3,423,063</u> | <u>3,045,162</u> |
| Total assets | <u>478,571</u> | <u>3,377,549</u> | <u>3,856,120</u> | <u>3,497,898</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts and other payables | 9,497 | 27,295 | 36,792 | 61,213 |
| Bonds payable | 17,000 | 3,000 | 20,000 | 20,000 |
| Capital lease payable | 6,082 | - | 6,082 | 6,875 |
| Accrued interest | 292 | 564 | 856 | 1,021 |
| Total current liabilities | <u>32,871</u> | <u>30,859</u> | <u>63,730</u> | <u>89,109</u> |
| Noncurrent liabilities: | | | | |
| Customers deposits payable | - | 43,189 | 43,189 | 40,094 |
| Compensated absences payable | 5,924 | 587 | 6,511 | 5,502 |
| Capital lease payable | 18,247 | - | 18,247 | - |
| Bonds payable | 18,000 | 68,000 | 86,000 | 106,000 |
| Total noncurrent liabilities | <u>42,171</u> | <u>111,776</u> | <u>153,947</u> | <u>151,596</u> |
| Total liabilities | <u>75,042</u> | <u>142,635</u> | <u>217,677</u> | <u>240,705</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 249,031 | 2,995,459 | 3,244,490 | 2,884,053 |
| Restricted for debt service | - | 39,491 | 39,491 | 39,552 |
| Unrestricted | 154,498 | 199,964 | 354,462 | 333,588 |
| Total net assets | <u>\$ 403,529</u> | <u>\$ 3,234,914</u> | <u>\$ 3,638,443</u> | <u>\$ 3,257,193</u> |

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Statement of Activities

For the Year Ended June 30, 2004

| | Expenses | | | Operating Grants and Contributions | Capital Grants and Contributions | Net (Expense) Revenues and Changes in Net Assets | |
|--|---------------------|---------------------------------------|-------------------|------------------------------------|----------------------------------|--|--------------------------|
| | Expenses | Fees, Fines, and Charges for Services | | | | Governmental Activities | Business-Type Activities |
| Governmental activities: | | | | | | | |
| General government | \$ 99,118 | \$ - | \$ - | \$ - | \$ - | \$ (99,118) | \$ (99,118) |
| Public safety: | | | | | | | |
| Police | 102,455 | 50,480 | - | - | - | (51,975) | (51,975) |
| Fire | 12,216 | - | - | - | - | (12,216) | (12,216) |
| Recreation | 8,364 | 2,970 | - | - | - | (5,394) | (5,394) |
| Streets and sidewalks | 33,736 | 16,624 | 4,790 | - | - | (12,322) | (12,322) |
| Capital outlay | 133,054 | - | - | 117,217 | - | (15,837) | (15,837) |
| Debt Service | 2,912 | - | - | - | - | (2,912) | (2,912) |
| Total governmental activities | <u>391,855</u> | <u>70,074</u> | <u>4,790</u> | <u>117,217</u> | <u>-</u> | <u>(199,774)</u> | <u>(199,774)</u> |
| Business-type activities: | | | | | | | |
| Gas and water | 513,575 | 516,626 | - | - | - | 3,051 | 3,051 |
| Sewer | 130,410 | 55,712 | - | 474,031 | - | 399,333 | 399,333 |
| Total business-type activities | <u>643,985</u> | <u>572,338</u> | <u>-</u> | <u>474,031</u> | <u>-</u> | <u>402,384</u> | <u>402,384</u> |
| Total | <u>\$ 1,035,840</u> | <u>\$ 642,412</u> | <u>\$ 4,790</u> | <u>\$ 591,248</u> | <u>\$ (199,774)</u> | <u>\$ 402,384</u> | <u>\$ 202,610</u> |
| General revenues: | | | | | | | |
| Taxes - | | | | | | | |
| Property taxes, levied for general purposes | | | \$ 12,919 | | | \$ - | \$ 12,919 |
| Sales and use taxes, levied for general purposes | | | 51,410 | | | - | 51,410 |
| Franchise taxes | | | 36,052 | | | - | 36,052 |
| Licenses and permits: | | | | | | | |
| Occupational licenses | | | 24,138 | | | - | 24,138 |
| Grants and contributions not restricted to specific programs - | | | | | | | |
| State sources | | | 1,804 | | | - | 1,804 |
| Interest and investment earnings | | | 2,562 | | | 1,583 | 4,145 |
| Miscellaneous | | | 48,172 | | | - | 48,172 |
| Transfers | | | 28,699 | | | (28,699) | - |
| Total general revenues and transfers | | | <u>205,756</u> | | | <u>(27,116)</u> | <u>178,640</u> |
| Change in net assets | | | 5,982 | | | 375,268 | 381,250 |
| Net assets - July 1, 2003 | | | <u>397,547</u> | | | <u>2,859,646</u> | <u>3,257,193</u> |
| Net assets - June 30, 2004 | | | <u>\$ 403,529</u> | | | <u>\$ 3,234,914</u> | <u>\$ 3,638,443</u> |

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sales Tax Fund

To account for the receipt and use of proceeds of the Village's 1% sales and use tax. These taxes are dedicated to the following purposes: constructing, re-surfacing, lighting and improving of public streets, sidewalks and bridges; constructing, purchasing, improving, maintaining and operating recreational facilities and equipment; and constructing, acquiring or improving lands, buildings, and equipment and furnishings therefore, title to which shall be in the public.

To account for the receipt and use of proceeds of the Village's 1/2% sales and use tax. These taxes are dedicated to the following purposes: operating, maintaining and purchase of supplies for the police, fire, and streets departments. The 1/2% sales tax is allocated 1/8% police; 1/8% fire, and 1/4% street.

Debt Service Fund

Public Improvement Bonds 11/30/80

To accumulate monies for payment of the 1980 \$249,000 Public Improvement bonds, which are serial bonds due in annual installments, plus interest, through 2006. Debt Service is financed by dedication of the Village's 1% sales and use tax.

Capital Projects Fund

2001 LCDBG

To account for monies received through a Louisiana Community Development Block Grant Program for sewer system improvements.

Enterprise Funds

Gas and Water Utility Fund

To account for the provision of gas and water services to the residents of the Village. 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 service, billings and collections.

Sewer Utility Fund

To account for the provision of sewer services to the residents of the Village. 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 service, billings and collections.

VILLAGE OF MOREAUVILLE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2004

With Comparative Totals for June 30, 2003

| | General | Special Revenue | Debt Service | Capital Projects | Totals (Memorandum Only) | |
|---|-------------------|--------------------|-------------------|---------------------|-----------------------------|-------------------|
| | | | | | 2004 | 2003 |
| ASSETS | | | | | | |
| Demand deposits | \$ 10,278 | \$ 5,030 | \$ 101,427 | \$ - | \$ 116,735 | \$ 115,800 |
| Time deposits | 60,362 | 15,000 | - | - | 75,362 | 74,499 |
| Receivables: | | | | | | |
| Taxes | 119 | - | - | - | 119 | 10,228 |
| Customer accounts | - | 6,097 | - | - | 6,097 | 6,097 |
| Accrued interest | 206 | 75 | - | - | 281 | 445 |
| Due from other funds | 1,394 | - | 550 | - | 1,944 | 1,944 |
| Due from other governmental units | 2,723 | - | - | - | 2,723 | 37,679 |
| Other | 19,868 | - | - | - | 19,868 | 18,712 |
| Prepaid items | 14,709 | - | - | - | 14,709 | 10,834 |
| Total assets | <u>\$ 109,659</u> | <u>\$ 26,202</u> | <u>\$ 101,977</u> | <u>\$ -</u> | <u>\$ 237,838</u> | <u>\$ 276,238</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 7,529 | \$ - | \$ - | \$ - | \$ 7,529 | \$ 3,773 |
| Retainage payable | - | - | - | - | - | 34,517 |
| Due to other funds | 31,233 | 1,394 | - | - | 32,627 | 31,447 |
| Due to other governmental agencies | - | - | - | - | - | 19 |
| Total liabilities | <u>38,762</u> | <u>1,394</u> | <u>-</u> | <u>-</u> | <u>40,156</u> | <u>69,756</u> |
| Fund balances - | | | | | | |
| Reserved for prepaid items | 14,709 | - | - | - | 14,709 | 10,834 |
| Reserved for debt service | - | - | 35,000 | - | 35,000 | 52,000 |
| Unreserved, designated for capital expenditures | - | - | 66,977 | - | 66,977 | 46,519 |
| Unreserved, undesignated | 56,188 | 24,808 | - | - | 80,996 | 97,129 |
| Total fund balances | <u>70,897</u> | <u>24,808</u> | <u>101,977</u> | <u>-</u> | <u>197,682</u> | <u>206,482</u> |
| Total liabilities and fund balances | <u>\$ 109,659</u> | <u>\$ 26,202</u> | <u>\$ 101,977</u> | <u>\$ -</u> | <u>\$ 237,838</u> | <u>\$ 276,238</u> |

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

VILLAGE OF MOREAUVILLE, 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 | | \$ 197,682 |
| 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 | \$ 11,232 | |
| Buildings and improvements, net of \$74,118 accumulated depreciation | 126,162 | |
| Equipment, furniture, and fixtures net of \$123,174 accumulated depreciation | <u>135,966</u> | 273,360 |
| Long-term liabilities at June 30, 2004: | | |
| Bonds payable | (35,000) | |
| Capital lease payable | (24,329) | |
| Compensated absences payable | (7,891) | |
| Accrued interest payable | <u>(292)</u> | <u>(67,512)</u> |
| Total net assets of governmental activities at June 30, 2004 | | <u>\$ 403,529</u> |

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

VILLAGE OF MOREAUVILLE, LOUISIANA

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

For the Year Ended June 30, 2004

With Comparative Totals For the Year Ended June 30, 2003

| | General | Special Revenue | Debt Service | Capital Projects | Totals | |
|---|------------------|--------------------|-------------------|---------------------|-------------------|---------------------------|
| | | | | | 2004 | (Memorandum Only) 2003 |
| Revenues: | | | | | | |
| Taxes | \$ 68,250 | \$ 51,410 | \$ - | \$ - | \$ 119,660 | \$ 125,107 |
| Licenses and permits | 24,138 | - | - | - | 24,138 | 24,229 |
| Intergovernmental | 6,594 | - | - | 117,217 | 123,811 | 331,785 |
| Fines and forfeits | 44,053 | - | - | - | 44,053 | 34,693 |
| Miscellaneous | 55,778 | 166 | 1,532 | - | 57,476 | 78,533 |
| Total revenues | <u>198,813</u> | <u>51,576</u> | <u>1,532</u> | <u>117,217</u> | <u>369,138</u> | <u>594,347</u> |
| Expenditures: | | | | | | |
| Current - | | | | | | |
| General government | 94,446 | 1,500 | - | - | 95,946 | 90,661 |
| Public safety: | | | | | | |
| Police | 95,671 | - | - | - | 95,671 | 77,998 |
| Fire | 7,227 | - | - | - | 7,227 | 7,282 |
| Recreation | 6,216 | - | - | - | 6,216 | 9,675 |
| Streets and sidewalks | 29,082 | - | - | - | 29,082 | 23,481 |
| Capital outlay | 51,829 | 850 | - | 117,217 | 169,896 | 334,389 |
| Debt service | 6,874 | - | 20,054 | - | 26,928 | 26,875 |
| Total expenditures | <u>291,345</u> | <u>2,350</u> | <u>20,054</u> | <u>117,217</u> | <u>430,966</u> | <u>570,361</u> |
| Excess (deficiency) of revenues over expenditures | <u>(92,532)</u> | <u>49,226</u> | <u>(18,522)</u> | <u>-</u> | <u>(61,828)</u> | <u>23,986</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | 48,000 | - | 21,980 | - | 69,980 | 55,838 |
| Transfers out | - | (41,281) | - | - | (41,281) | (39,838) |
| Proceeds from capital lease | 24,329 | - | - | - | 24,329 | - |
| Total other financing sources (uses) | <u>72,329</u> | <u>(41,281)</u> | <u>21,980</u> | <u>-</u> | <u>53,028</u> | <u>16,000</u> |
| Net changes in fund balances | (20,203) | 7,945 | 3,458 | - | (8,800) | 39,986 |
| Fund balances beginning | 91,100 | 16,863 | 98,519 | - | 206,482 | 166,496 |
| Fund balances, ending | <u>\$ 70,897</u> | <u>\$ 24,808</u> | <u>\$ 101,977</u> | <u>-</u> | <u>\$ 197,682</u> | <u>\$ 206,482</u> |

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

VILLAGE OF MOREAUVILLE, LOUISIANA

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

| | | | |
|--|--|-----------------|-----------------|
| Total net changes in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances | | | \$(8,800) |
| The change in net assets reported for governmental activities in the statement of activities is different because: | | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | | |
| Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances | | \$ 36,842 | |
| Depreciation expense for the year ended June 30, 2004 | | <u>(21,327)</u> | 15,515 |
| Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable balance on the statement of net assets | | | |
| | | | 23,875 |
| Governmental funds report capital lease proceeds as income. However, this income is recorded as debt on the statement of net assets | | | |
| | | | (24,329) |
| Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis | | | |
| | | | <u>(279)</u> |
| Total changes in net assets at June 30, 2004 per Statement of Activities | | | <u>\$ 5,982</u> |

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Combining Statement of Net Assets
 Proprietary Funds
 June 30, 2004
 With Comparative Totals for the Year Ended June 30, 2003

| ASSETS | Gas and | Sewer | Totals | |
|---|--------------------|---------------------|--------------------|--------------------|
| | Water Utility | Utility | 2004 | 2003 |
| Current assets: | | | | |
| Demand deposits | \$ 14,347 | 1,301 | \$ 15,648 | \$ 33,067 |
| Time deposits | 60,349 | 2,038 | 62,387 | 42,625 |
| Receivables: | | | | |
| Accounts | 39,124 | - | 39,124 | 30,639 |
| Accrued interest | 267 | 9 | 276 | 366 |
| Due from other funds | 31,233 | 20,500 | 51,733 | 56,698 |
| Due from other governmental agencies | 30,862 | - | 30,862 | 30,862 |
| Inventory | 26,989 | 340 | 27,329 | 27,329 |
| Prepaid items | 19,854 | 1,683 | 21,537 | 13,554 |
| Total current assets | <u>223,025</u> | <u>25,871</u> | <u>248,896</u> | <u>235,140</u> |
| Noncurrent assets: | | | | |
| Restricted assets - | | | | |
| Demand deposits | 43,189 | 12,055 | 55,244 | 52,234 |
| Time deposits | - | 31,000 | 31,000 | 31,000 |
| Capital assets, net of accumulated depreciation | 937,741 | 2,125,718 | 3,063,459 | 2,704,083 |
| Total noncurrent assets | <u>980,930</u> | <u>2,168,773</u> | <u>3,149,703</u> | <u>2,787,317</u> |
| Total assets | <u>1,203,955</u> | <u>2,194,644</u> | <u>3,398,599</u> | <u>3,022,457</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 21,806 | 5,489 | 27,295 | 20,934 |
| Due to other funds | 20,500 | 550 | 21,050 | 27,195 |
| Payable from restricted assets - | | | | |
| Revenue bonds | - | 3,000 | 3,000 | 3,000 |
| Accrued interest payable | - | 564 | 564 | 588 |
| Total current liabilities | <u>42,306</u> | <u>9,603</u> | <u>51,909</u> | <u>51,717</u> |
| Noncurrent liabilities: | | | | |
| Customers' deposits | 43,189 | - | 43,189 | 40,094 |
| Compensated absences payable | 440 | 147 | 587 | - |
| Revenue bonds payable | - | 68,000 | 68,000 | 71,000 |
| Total noncurrent liabilities | <u>43,629</u> | <u>68,147</u> | <u>111,776</u> | <u>111,094</u> |
| Total liabilities | <u>85,935</u> | <u>77,750</u> | <u>163,685</u> | <u>162,811</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 937,741 | 2,057,718 | 2,995,459 | 2,633,083 |
| Restricted for debt service | - | 39,491 | 39,491 | 39,552 |
| Unrestricted | 180,279 | 19,685 | 199,964 | 187,011 |
| Total net assets | <u>\$1,118,020</u> | <u>\$ 2,116,894</u> | <u>\$3,234,914</u> | <u>\$2,859,646</u> |

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets -
Proprietary Funds

For the Year Ended June 30, 2004

With Comparative Totals for the Year Ended June 30, 2003

| | Gas and Water Utility | Sewer Utility | Totals | |
|--|-----------------------------|------------------|-----------------|------------------|
| | | | 2004 | 2003 |
| Operating revenues: | | | | |
| Charges for services - | | | | |
| Gas charges | \$ 389,799 | \$ - | \$ 389,799 | \$ 352,221 |
| Water service charges | 106,746 | - | 106,746 | 87,011 |
| Sewer service charges | - | 55,619 | 55,619 | 63,668 |
| Installation and other charges | 20,081 | 93 | 20,174 | 18,463 |
| Total operating revenues | <u>516,626</u> | <u>55,712</u> | <u>572,338</u> | <u>521,363</u> |
| Operating expenses: | | | | |
| Gas purchased | 243,929 | - | 243,929 | 223,045 |
| Salaries and related benefits | 68,353 | 5,133 | 73,486 | 84,947 |
| Depreciation expense | 63,050 | 68,272 | 131,322 | 126,119 |
| Maintenance and repairs | 21,417 | 21,070 | 42,487 | 40,452 |
| Supplies | 19,111 | 2,548 | 21,659 | 15,971 |
| Contractual services | 4,050 | 1,688 | 5,738 | 16,897 |
| Insurance | 21,418 | 1,662 | 23,080 | 24,232 |
| Benefits | 4,062 | - | 4,062 | 5,411 |
| Truck and tractor expense | 12,089 | 326 | 12,415 | 14,864 |
| Office expense | 9,531 | - | 9,531 | 10,147 |
| Other supplies and expenses | 6,898 | - | 6,898 | 8,944 |
| Collection expenses | 104 | - | 104 | 114 |
| Utilities and telephone | 18,768 | 18,399 | 37,167 | 32,784 |
| Testing and sludge removal | - | 1,955 | 1,955 | 2,220 |
| Gas and oil | 7,543 | 921 | 8,464 | 7,579 |
| Miscellaneous | 13,252 | 3,060 | 16,312 | 13,263 |
| Total operating expenses | <u>513,575</u> | <u>125,034</u> | <u>638,609</u> | <u>626,989</u> |
| Operating loss | <u>3,051</u> | <u>(69,322)</u> | <u>(66,271)</u> | <u>(105,626)</u> |
| Nonoperating revenues (expenses): | | | | |
| Interest income | 1,078 | 505 | 1,583 | 3,396 |
| Interest expense | - | (5,376) | (5,376) | (3,751) |
| Total nonoperating revenues (expenses) | <u>1,078</u> | <u>(4,871)</u> | <u>(3,793)</u> | <u>(355)</u> |
| Loss before contributions and transfers | <u>1,078</u> | <u>(4,871)</u> | <u>(70,064)</u> | <u>(105,981)</u> |

(continued)

VILLAGE OF MOREAUVILLE, LOUISIANA

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - (Continued)

Proprietary Funds

For the Year Ended June 30, 2004

With Comparative Totals for the Year Ended June 30, 2003

| | Gas and Water Utility | Sewer Utility | Totals | |
|------------------------------|-----------------------------|--------------------|--------------------|--------------------|
| | | | 2004 | 2003 |
| Capital contributions | - | 474,031 | 474,031 | 670 |
| Transfers in (out): | | | | |
| Transfer from Sales Tax Fund | 2,000 | 9,301 | 11,301 | 14,000 |
| Transfer to General Fund | <u>(40,000)</u> | <u>-</u> | <u>(40,000)</u> | <u>(30,000)</u> |
| Total transfers in (out) | <u>(38,000)</u> | <u>9,301</u> | <u>(28,699)</u> | <u>(16,000)</u> |
| Change in net assets | (36,922) | 478,461 | 375,268 | (121,311) |
| Net assets, beginning | <u>1,154,942</u> | <u>1,638,433</u> | <u>2,859,646</u> | <u>2,980,957</u> |
| Net assets, ending | <u>\$1,118,020</u> | <u>\$2,116,894</u> | <u>\$3,234,914</u> | <u>\$2,859,646</u> |

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Combining Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2004
 With Comparative Totals for the Year Ended June 30, 2003

| | Gas and | Sewer | Totals | |
|---|------------------|------------------|------------------|------------------|
| | Water Utility | Utility | 2004 | 2003 |
| Cash flows from operating activities: | | | | |
| Receipts from customers | \$ 488,060 | \$ 55,619 | \$ 543,679 | \$ 504,978 |
| Payments to suppliers | (384,896) | (49,666) | (434,562) | (414,102) |
| Payments to employees | (68,611) | (5,149) | (73,760) | (90,804) |
| Other receipts | <u>20,081</u> | <u>93</u> | <u>20,174</u> | <u>18,463</u> |
| Net cash provided by operating activities | <u>54,634</u> | <u>897</u> | <u>55,531</u> | <u>18,535</u> |
| Cash flows from noncapital financing activities: | | | | |
| Cash received from other funds | - | 6,145 | 6,145 | 3,812 |
| Cash paid to other funds | (7,325) | - | (7,325) | (3,551) |
| Advances to other governmental agencies | - | - | - | (200) |
| Transfers from other funds | 2,000 | 9,301 | 11,301 | 14,000 |
| Transfers to other funds | <u>(40,000)</u> | <u>-</u> | <u>(40,000)</u> | <u>(30,000)</u> |
| Net cash provided (used) by noncapital financing activities | <u>(45,325)</u> | <u>15,446</u> | <u>(29,879)</u> | <u>(15,939)</u> |
| Cash flows from capital and related financing activities: | | | | |
| Interest and fiscal charges paid on revenue bonds payable | - | (3,000) | (3,000) | (3,000) |
| Interest and fiscal charges paid on revenue bonds | - | (5,400) | (5,400) | (3,775) |
| Net increase in meter deposits | 3,095 | - | 3,095 | 958 |
| Capital contributions | - | 474,031 | 474,031 | 670 |
| Acquisition of property, plant and equipment | <u>(6,012)</u> | <u>(484,681)</u> | <u>(490,693)</u> | <u>(44,196)</u> |
| Net cash used by capital and related financing activities | <u>(2,917)</u> | <u>(19,050)</u> | <u>(21,967)</u> | <u>(49,343)</u> |
| Cash flows from investing activities: | | | | |
| Net decrease (increase) in investments | 11,239 | (31,001) | (19,762) | 57,563 |
| Interest received on interest-bearing deposits | <u>1,160</u> | <u>508</u> | <u>1,668</u> | <u>3,499</u> |
| Net cash provided (used) by investing activities | <u>12,399</u> | <u>(30,493)</u> | <u>(18,094)</u> | <u>61,062</u> |
| Net increase (decrease) in cash and cash equivalents | 18,791 | (33,200) | (14,409) | 14,315 |
| Cash and cash equivalents, beginning of period | <u>38,745</u> | <u>46,556</u> | <u>85,301</u> | <u>70,986</u> |
| Cash and cash equivalents, end of period | <u>\$ 57,536</u> | <u>\$ 13,356</u> | <u>\$ 70,892</u> | <u>\$ 85,301</u> |

(continued)

VILLAGE OF MOREAUVILLE, LOUISIANA

Combining Statement of Cash Flows
 Proprietary Funds (continued)
 For the Year Ended June 30, 2004
 With Comparative Totals for the Year Ended June 30, 2003

| | Gas and Water Utility | Sewer Utility | Totals | |
|---|-----------------------------|--------------------|--------------------|------------------|
| | | | 2004 | 2003 |
| Reconciliation of operating income (loss) to net cash used by operating activities: | | | | |
| Operating income (loss) | \$ 3,051 | \$ (69,322) | \$ (66,271) | \$ (105,626) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | | | | |
| Depreciation | 63,050 | 68,272 | 131,322 | 126,119 |
| Changes in current assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable | (8,485) | - | (8,485) | 2,078 |
| (Increase) decrease in prepaid items | (7,332) | (651) | (7,983) | 1,123 |
| Increase (decrease) in accounts payable | 4,608 | 2,614 | 5,134 | (5,295) |
| Increase (decrease) in accrued liabilities | (258) | (16) | 1,814 | 136 |
| Net cash provided by operating activities | <u>\$ 54,634</u> | <u>\$ 897</u> | <u>\$ 55,531</u> | <u>\$ 18,535</u> |
| Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet: | | | | |
| Cash and cash equivalents, beginning of period - | | | | |
| Cash - unrestricted | \$ 26,413 | 6,654 | \$ 33,067 | \$ 13,557 |
| Interest-bearing deposits - unrestricted | 32,323 | 10,302 | 42,625 | 96,923 |
| Cash - restricted | 51,597 | 637 | 52,234 | 57,429 |
| Interest-bearing deposits - restricted | - | 31,000 | 31,000 | 34,265 |
| Less: Interest-bearing deposits with maturity in excess of 90 days | (71,588) | (2,037) | (73,625) | (131,188) |
| Total cash and cash equivalents, beginning of period | <u>38,745</u> | <u>46,556</u> | <u>85,301</u> | <u>70,986</u> |
| Cash and cash equivalents, end of period - | | | | |
| Cash - unrestricted | 14,347 | 1,301 | 15,648 | 33,067 |
| Interest-bearing deposits - unrestricted | 60,349 | 2,038 | 62,387 | 42,625 |
| Cash - restricted | 43,189 | 12,055 | 55,244 | 52,234 |
| Interest-bearing deposits - restricted | - | 31,000 | 31,000 | 31,000 |
| Less: Interest-bearing deposits with maturity in excess of 90 days | (60,349) | (33,038) | (93,387) | (73,625) |
| Total cash and cash equivalents, end of period | <u>57,536</u> | <u>13,356</u> | <u>70,892</u> | <u>85,301</u> |
| Net increase (decrease) | <u>\$ 18,791</u> | <u>\$ (33,200)</u> | <u>\$ (14,409)</u> | <u>\$ 14,315</u> |

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accounting and reporting policies of the Village of Moreauville conform to generally accepted accounting principles (GAAP) as applicable to governments. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsections of this note. For the fiscal year ended June 30, 2004, the Village implemented the new financial reporting requirements of GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. As a result, an entirely new financial presentation format has been implemented.

The following is a summary of certain significant accounting policies and practices.

A. Financial Reporting Entity

The Village of Moreauville was incorporated in 1904 under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government and provides the following services: public safety (police and fire), highway and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services

This report includes all funds and account groups which are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village is determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, the volunteer fire department, as a governmental organization, is not part of the Village and is thus excluded from the accompanying financial statements. This organization is staffed by volunteers and although the Village does provide some of its financing, no control is exercised over its operations. These financial statements include only expenditures incurred directly by the Village for fire protection and does not include operating expenditures paid with self-generated funds of the volunteer fire department.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Fund Financial Statements

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Village are classified into two categories: governmental and proprietary. The emphasis on the fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Village are described below:

Governmental Funds -

General Fund

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

Special Revenue Fund

The Special Revenue Fund accounts for the proceeds of a 1 1/2% sales and use tax that is legally restricted to expenditures for specific purposes.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

Proprietary Funds -

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Gas and Water System Fund, and the Sewer System Fund comprise the Village's Enterprise Funds.

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

Measurement Focus

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

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

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

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

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

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

D. Assets, Liabilities and Equity

Demand deposits and time deposits

For purposes of the statement of net assets, demand deposits and time deposits include all demand accounts and certificates of deposits of the Village.

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand deposits and savings accounts, and time deposits 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. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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. Business-type activities report customer's utility service receivables as their major receivables. Also included in accounts receivables are advances to the Avoyelles Water Commission. Uncollectible amounts due from customers' utility 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. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

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 City maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

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

| | Gas and Water System | Sewer System |
|--------------------------------------|-------------------------|-----------------|
| Lines and other system installations | 10 - 50 years | 10 - 50 years |
| Vehicles and movable equipment | 5 - 25 years | 5 - 25 years |
| Buildings | 10 - 60 years | 10 - 60 years |

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Restricted Assets

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

Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable, general obligation bonds payable, and utility meter deposits payable.

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

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Various days of vacation and sick leave per year may be accumulated by each employee. The number of days accumulated per year depends upon holiday and weekend time worked by the employees. The Village accrues a liability for compensated absences which meets the following criteria:

1. The Villages obligation relating to employees' rights to receive Compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable
4. The amount can be reasonable estimated.

In accordance with the above criteria the Village has a liability of \$10,566 for vacation and sick pay, which has been earned but not taken by Village employees.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

- Governmental Funds - By Character
- Proprietary Funds - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Village has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

| <u>Revenue Source</u> | <u>Legal Restrictions of Use</u> |
|------------------------------|-------------------------------------|
| Sales tax | See Note 4 |
| Gas, water and sewer revenue | Debt service and utility operations |

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

G. Budget and Budgetary Accounting

The Village follows the following procedures in establishing the budget:

1. The Mayor meets with the Council and Village Clerk to review the prior year revenue and expenditures as a basis for projecting the current fiscal year budget.
2. Anticipated changes from the prior year are taken into account and reflected in the projections.
3. Once adopted, the budget is made available for public inspection and a budget summary is published in the Village's designated official journal.
4. The Village does not formally integrate its budget as a management tool.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets are prepared for the General Fund and Special Revenue Fund, and Debt Service Fund utilizing generally accepted accounting principles. Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriation.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

H. Capitalization of Interest Expense

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

I. Use of Estimates

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

J. Report Classification

Certain previously reported amounts for the year ended June 30, 2003 have been reclassified to conform to the June 30, 2004 classifications.

(2) Changes in Accounting Principle

For the year ended June 30, 2004, the Village has implemented GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Town’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2003 to be restated in terms of “net assets” as follows:

| | | | |
|---|----|------------------|-------------------|
| Total fund balances - Governmental Funds - at June 30, 2003 | | \$ | 206,482 |
| Add: Cost of capital assets at June 30, 2003 | \$ | 433,810 | |
| Less: Accumulated depreciation at June 30, 2003 | | <u>(175,965)</u> | 257,845 |
| Less: Bond principal at June 30, 2003 | | (52,000) | |
| Capital lease payable | | (6,875) | |
| Compensated absences payable | | (7,472) | |
| Accrued interest payable at June 30, 2003 | | <u>(433)</u> | <u>(66,780)</u> |
| Net assets at June 30, 2003 | | | <u>\$ 397,547</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 2 of each year. Taxes are levied by the Village in October and are actually billed to taxpayers in November. Billed taxes become delinquent on March 1 of the following year. The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Village property tax revenues are budgeted in the year billed.

For the year ended June 30, 2004, taxes of 4.8 mills were levied on property with assessed valuations totaling \$2,691,458 and were dedicated to general corporate purposes.

Total taxes levied were \$12,919. Taxes receivable at June 30, 2004 was \$119, which was current.

(4) Dedication of Proceeds and Flow of Funds – 1% Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the Village of Moreauville (2004 collections \$51,410; 2003 collections \$54,927) are dedicated to the following purposes:

1. Specifically, for the retirement of Public Improvement Sales Tax Bonds to be issued for the purpose of paying part of the cost of constructing sewers and sewerage disposal works; title to which shall be in the public.
2. Specifically, for the purpose of paying the cost of constructing sewers and sewerage disposal works, and maintaining and operating the same; title to which shall be in the public.
3. Generally, for the constructing, re-surfacing, lighting and improving of public streets, sidewalks and bridges; constructing, purchasing, improving, maintaining and operating recreational facilities and equipment; and constructing, acquiring or improving lands, buildings, any work of permanent public improvement, including equipment and furnishing, therefore, title to which shall be in the public.

The proceeds of the 1/2% sales tax are dedicated to the following purposes: operating, maintaining and purchasing of supplies for the police, fire, and street departments. The 1/2% sales tax is allocated 1/8% police, 1/8% fire, and 1/4% street. Collections for the year ended June 30, 2004 and 2003 are \$19,279 and \$20,405, respectively.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Village had cash and interest-bearing deposits (book balances) totaling \$356,376 as follows:

| | |
|-----------------|-------------------|
| Demand deposits | \$ 187,627 |
| Time deposits | <u>168,749</u> |
| Total | <u>\$ 356,376</u> |

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

| | |
|---|-------------------|
| Bank balances | <u>\$ 380,687</u> |
| Federal deposit insurance | \$ 261,749 |
| Pledged securities (Category 3) | <u>118,938</u> |
| Total FDIC insurance and pledged securities | <u>\$ 380,687</u> |

Pledged securities in Category 3 include uninsured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the Village's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Receivables

Receivables at June 30, 2004 of \$65,765 consist of the following:

| | <u>General</u> | <u>Special Revenue</u> | <u>Utility</u> | <u>Total</u> |
|------------------|------------------|----------------------------|------------------|------------------|
| Accounts | \$ - | \$ - | \$ 32,555 | \$ 32,555 |
| Unbilled utility | - | - | 6,569 | 6,569 |
| Franchise fees | 8,818 | - | - | 8,818 |
| Taxes: | | | | |
| Ad valorem | 119 | - | - | 119 |
| Sales tax | - | 6,097 | - | 6,097 |
| Interest | 206 | 75 | 276 | 557 |
| Paragon Casino | 10,935 | - | - | 10,935 |
| Other | 115 | - | - | 115 |
| Totals | <u>\$ 20,193</u> | <u>\$ 6,172</u> | <u>\$ 39,400</u> | <u>\$ 65,765</u> |

(7) Due from Other Governmental Units

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

General Fund:

Amount due from the State of Louisiana Department of Transportation for grass cutting revenues earned during fiscal year ending June 30, 2004 \$ 2,723

Public Utility Fund:

Amount due from Avoyelles Water Commission for advances made to the water commission 30,862

\$ 33,585

(8) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at June 30, 2004:

| | <u>Gas and Water System</u> | <u>Sewer System</u> | <u>Total</u> |
|-----------------------------------|-------------------------------------|-------------------------|------------------|
| Customer Deposit Fund | \$ 43,189 | \$ - | \$ 43,189 |
| Revenue Bond Fund | - | 8,708 | 8,708 |
| Revenue Bond Reserve Fund | - | 14,098 | 14,098 |
| Depreciation and Contingency Fund | - | 20,249 | 20,249 |
| | <u>\$ 43,189</u> | <u>\$ 43,055</u> | <u>\$ 86,244</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Capital Assets

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

| | Balance 07/01/03 | Additions | Deletions | Balance 06/30/04 |
|--|---------------------------|--------------------------|--------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 11,232 | \$ - | \$ - | \$ 11,232 |
| Other capital assets: | | | | |
| Buildings | 198,799 | 1,481 | - | 200,280 |
| Equipment, furniture and fixtures | 223,779 | 35,361 | - | 259,140 |
| Totals | <u>433,810</u> | <u>36,842</u> | <u>-</u> | <u>470,652</u> |
| Less accumulated depreciation | | | | |
| Buildings | (70,681) | (3,437) | - | (74,118) |
| Equipment, furniture and fixtures | (105,284) | (17,890) | - | (123,174) |
| Total accumulated depreciation | <u>(175,965)</u> | <u>(21,327)</u> | <u>-</u> | <u>(197,292)</u> |
| Governmental activities, capital assets, net | <u>\$ 257,845</u> | <u>\$ 15,515</u> | <u>\$ -</u> | <u>\$ 273,360</u> |
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 10,600 | \$ - | \$ - | \$ 10,600 |
| Other capital assets: | | | | |
| Gas and water system | 1,720,505 | 484,686 | - | 2,205,191 |
| Sewer system | 2,883,889 | | | 2,883,889 |
| Furniture and fixtures | 22,274 | 697 | - | 22,971 |
| Machinery and equipment | 148,973 | 5,315 | - | 154,288 |
| Right of ways | 1,041 | - | - | 1,041 |
| Totals | <u>4,787,282</u> | <u>490,698</u> | <u>-</u> | <u>5,277,980</u> |
| Less accumulated depreciation | | | | |
| Gas and water system | (425,273) | (47,552) | - | (472,825) |
| Sewer system | (1,174,585) | (68,272) | - | (1,242,857) |
| Machinery and equipment | (483,341) | (15,498) | - | (498,839) |
| Total accumulated depreciation | <u>(2,083,199)</u> | <u>(131,322)</u> | <u>-</u> | <u>(2,214,521)</u> |
| Business-type activities, capital assets, net | <u>\$2,704,083</u> | <u>\$ 359,376</u> | <u>\$ -</u> | <u>\$3,063,459</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

| | |
|----------------------------|------------------|
| General government | \$ 2,752 |
| Police | 6,784 |
| Recreation | 2,148 |
| Fire | 4,989 |
| Streets | <u>4,654</u> |
| Total depreciation expense | <u>\$ 21,327</u> |

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

| | |
|----------------------------|-------------------|
| Gas and water | \$ 63,050 |
| Sewer | <u>68,272</u> |
| Total depreciation expense | <u>\$ 131,322</u> |

(10) Accounts, Salaries, and Other Payables

The accounts and other payables of \$36,792 consisted of the following at June 30, 2004:

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|----------------------|------------------------------------|-------------------------------------|------------------|
| Accounts | \$ 6,446 | \$ 24,714 | \$ 31,160 |
| Compensated absences | 1,968 | 2,088 | 4,056 |
| Other liabilities | <u>1,083</u> | <u>493</u> | <u>1,576</u> |
| Totals | <u>\$ 9,497</u> | <u>\$ 27,295</u> | <u>\$ 36,792</u> |

(11) Changes in Long-Term Debt

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

| | Balance 07/01/03 | <u>Governmental Activities</u> | | Balance 06/30/04 |
|--------------------------|---------------------|--------------------------------|------------------|---------------------|
| | | <u>Additions</u> | <u>Deletions</u> | |
| General obligation bonds | \$ 52,000 | \$ - | \$ 17,000 | \$ 35,000 |
| Capital lease | 6,875 | 24,329 | 6,875 | 24,329 |
| Compensated absences | <u>5,502</u> | <u>422</u> | <u>-</u> | <u>5,924</u> |
| Total | <u>\$ 64,377</u> | <u>\$ 24,751</u> | <u>\$ 23,875</u> | <u>\$ 65,253</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

| | <u>Business-Type Activities</u> | | | Balance 06/30/04 |
|----------------------|---------------------------------|---------------|-----------------|---------------------|
| | Balance 07/01/03 | Additions | Deletions | |
| Compensated absences | \$ - | \$ 587 | \$ - | \$ 587 |
| Sewer revenue bonds | 74,000 | - | 3,000 | 71,000 |
| Total | <u>\$ 74,000</u> | <u>\$ 587</u> | <u>\$ 3,000</u> | <u>\$ 71,587</u> |

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

Bonds payable -

Bonds payable at June 30, 2004 are comprised of the following individual issues:

\$249,000, of public improvement bonds dated November 3, 1980, due in annual serial installments of \$17,000 to \$18,000 through May, 2006; interest at 5 percent.

\$35,000

The public improvement bonds described above were issued in connection with the construction of the wastewater collection and treatment system. These obligations are not "general" obligations but "special" obligations of the Village. The \$249,000 issue is secured by a pledge of sales tax revenues of the Village.

Sewer Revenue Bonds:

\$120,000 of sewer revenue bonds dated November 3, 1980, due in annual serial installments of \$3,000 to \$6,000 through May, 2021; interest at 5 percent.

\$71,000

The bonds are due as follows:

| <u>Year ending June 30,</u> | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|---------------------------------|--------------------------------|------------------------------|---------------------------------|------------------------------|
| | <u>Principal payments</u> | <u>Interest payments</u> | <u>Principal payments</u> | <u>Interest payments</u> |
| 2005 | \$ 17,000 | \$ 1,325 | \$ 3,000 | \$ 3,475 |
| 2006 | 18,000 | 450 | 3,000 | 3,325 |
| 2007 | - | - | 3,000 | 3,175 |
| 2008 | - | - | 4,000 | 3,000 |
| 2009 | - | - | 4,000 | 2,800 |
| 2010-2014 | - | - | 20,000 | 11,000 |
| 2015-2019 | - | - | 22,000 | 5,900 |
| 2020-2021 | - | - | 12,000 | 600 |
| Total | <u>\$ 35,000</u> | <u>\$ 1,775</u> | <u>\$ 71,000</u> | <u>\$ 33,275</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA
Notes to Basic Financial Statements (Continued)

Capital Lease Payable -

The Village entered into a capital lease for the purchase of a police car used in the general fund. The terms of the lease are annual payments of \$6,082 with interest of 4.35% for a term of 4 years. The cost of the auto included in capital assets is \$22,850. At June 30, 2004, the annual payout is as follows:

| Year ending June 30, | Principal payments | Interest payments |
|-------------------------|-----------------------|----------------------|
| 2005 | \$ 6,082 | \$ - |
| 2006 | 5,353 | 729 |
| 2007 | 5,586 | 496 |
| 2008 | 5,829 | 254 |
| Total | <u>\$ 22,850</u> | <u>\$ 1,479</u> |

(12) Flow of Funds: Restrictions on Use – Sewer Revenues and Sales Tax Proceeds

The revenues derived from the sewer user fees shall be allocated as follows:

1. Each month, an amount equal to 1/6 of the next maturing installment of interest and 1/12 of the next maturing installment of principal shall be deposited into a fund called the "Revenue Bond and Interest Sinking Fund".
2. Each month, an amount equal to 5% of the amount required to be paid monthly into the Sinking Fund (per (1) above) shall be set aside in a separate fund entitled the "Revenue Bond Reserve Fund".
3. Also each month, funds of \$74 shall be transferred into a separate bank account entitled "Depreciation and Contingency Fund". Money in this fund may be used to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the sewer system. The monies may also be used to pay the principal and interest on the bonds if there are not sufficient funds in the other bond fund.

The proceeds of the sales tax shall be allocated as follows:

1. Each month, an amount equal to 1/6 of the next maturing installment of interest and 1/12 of the next maturing installment of principal shall be deposited in a fund called the "Public Improvement Bond Series 1980 Sales Tax Sinking Fund".

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

2. Each month, an amount equal to 10% of the amount required to be paid monthly into the Sinking Fund (per (1) above) shall be set aside in a separate fund entitled the "Public Improvement Bond Series 1980 Sales Tax Reserve Fund".
3. Also, each month, funds of \$74 shall be transferred into a separate bank account entitled "Depreciation and Contingency Fund". Money in this fund may be used to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the sewer system. The monies may also be used to pay the principal and interest on the bonds if there are not sufficient funds in the other bond funds.

(13) Retirement Commitments

As of June 30, 2004 all employees of the Village are members of the Social Security System. Social Security paid during the fiscal year ended June 30, 2004 was \$21,964 on qualified payroll of \$177,131; \$10,982 is expensed in the financial statements. The Village pays approximately \$50 a month per employee into an Individual Retirement Account (IRA) of their choice. There were two employees covered during the year, for a total deduction of \$1,200. Of the \$1,200, \$600 is included in the Public Utility Fund expenses and \$600 is included in the Sewer Utility Fund expenses. The Village may terminate this arrangement at any time and is not liable beyond the contributions made. The employee has control over his/her own plan investment.

(14) Litigation and Claims

At June 30, 2004, the Village is involved in several lawsuits claiming damages. In the opinion of the Village's legal counsel, the only exposure to the Village would be any costs in defense of the lawsuits with no liability to the Village in excess of insurance coverage.

(15) Segment Information for the Enterprise Fund

The Village of Moreauville maintains two enterprise funds which provide gas, water, and sewerage services. Segment information for the year ended June 30, 2004, was as follows:

| | Gas and Water Utility | Sewer Utility | Total Enterprise Funds |
|--------------------------|--------------------------|------------------|------------------------------|
| Operating revenues | \$ 516,626 | \$ 55,712 | \$ 572,338 |
| Operating expenses: | | | |
| Depreciation | 63,050 | 68,272 | 131,322 |
| Other | 450,525 | 56,762 | 507,287 |
| Total operating expenses | 513,575 | 125,034 | 638,609 |
| Operating income (loss) | \$ 3,051 | \$ (69,322) | \$ (66,271) |

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Compensation Paid Board Members

The Village paid the mayor and aldermen the following per diem:

| <u>Elected Official</u> | <u>Office</u> | <u>Term</u> | <u>Salary</u> | <u>Term Expiration</u> |
|-------------------------|---------------|-------------|-----------------|------------------------|
| Lionel Bordelon, Jr. | Mayor | 4 years | \$14,400 | December 31, 2006 |
| Oscar Goody, Jr. | Alderman | 4 years | 2,400 | December 31, 2006 |
| Timmy Lemoine | Alderman | 4 years | 2,400 | December 31, 2006 |
| Carla Sayer | Alderman | 4 years | 2,400 | December 31, 2006 |
| | | | <u>\$21,600</u> | |

(17) Risk Management

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

(18) Interfund Transactions

A. Receivables/payables

Interfund receivable/payable balances consisted of the following at June 30, 2004:

| | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|----------------------------|----------------------------------|-------------------------------|
| General Fund | \$ 1,394 | 31,233 |
| Sales Tax Fund | - | 1,394 |
| Debt Service Fund | 550 | - |
| Enterprise funds - | | |
| Gas and Water Utility Fund | 31,233 | 20,500 |
| Sewer Utility Fund | <u>20,500</u> | <u>550</u> |
| Total | <u>\$ 53,677</u> | <u>\$ 53,677</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Transfers

Transfers consisted of the following at June 30, 2004:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|----------------------------|----------------------|----------------------|
| General Fund | \$ 48,000 | \$ - |
| Sales Tax Fund | - | 41,281 |
| Debt Service Fund | 21,980 | - |
| Enterprise funds: | | |
| Gas and Water Utility Fund | 2,000 | 40,000 |
| Sewer Utility Fund | <u>9,301</u> | <u>-</u> |
| Total | <u>\$ 81,281</u> | <u>\$ 81,281</u> |

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(19) Expenditures in Excess of Appropriations

For the year ended June 30, 2004, the following funds had actual expenditures over budgeted appropriations:

| | <u>Budgeted Expenditures</u> | <u>Actual Expenditures</u> | <u>Variance</u> |
|----------------------|----------------------------------|--------------------------------|---------------------|
| Special Revenue Fund | \$ 2,340 | \$ 2,350 | \$ (10) |
| Debt Service Fund | <u>19,200</u> | <u>20,054</u> | <u>(854)</u> |
| Total | <u>\$ 21,540</u> | <u>\$ 22,404</u> | <u>\$ (864)</u> |

**REQUIRED
SUPPLEMENTARY INFORMATION**

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

| | 2004 | | Actual | Variance with Final Budget Positive (Negative) | 2003 Actual |
|--|------------------|------------------|------------------|---|------------------|
| | Budget | | | | |
| | Original | Final | | | |
| Revenues: | | | | | |
| Taxes | \$ 66,200 | \$ 69,108 | \$ 68,250 | \$ (858) | \$ 70,180 |
| Licenses and permits | 21,500 | 24,200 | 24,138 | (62) | 24,229 |
| Intergovernmental | 9,990 | 7,034 | 6,594 | (440) | 20,699 |
| Fines and forfeits | 33,300 | 45,079 | 44,053 | (1,026) | 34,693 |
| Miscellaneous | 62,200 | 58,877 | 55,778 | (3,099) | 76,423 |
| Total revenues | <u>193,190</u> | <u>204,298</u> | <u>198,813</u> | <u>(5,485)</u> | <u>226,224</u> |
| Expenditures: | | | | | |
| General government: | 96,797 | 96,474 | 94,446 | 2,028 | 88,683 |
| Public safety: | | | | | |
| Police | 86,494 | 94,789 | 95,671 | (882) | 77,998 |
| Fire | 16,100 | 12,531 | 7,227 | 5,304 | 9,675 |
| Recreation | 12,060 | 6,948 | 6,216 | 732 | 7,282 |
| Streets and sidewalks | 43,300 | 29,120 | 29,082 | 38 | 23,481 |
| Capital outlay | 25,000 | 52,389 | 51,829 | 560 | 19,559 |
| Debt service | 6,874 | 6,874 | 6,874 | - | 6,874 |
| Total expenditures | <u>286,625</u> | <u>299,125</u> | <u>291,345</u> | <u>7,780</u> | <u>233,552</u> |
| Deficiency of revenues over expenditures | <u>(93,435)</u> | <u>(94,827)</u> | <u>(92,532)</u> | <u>2,295</u> | <u>(7,328)</u> |
| Other financing sources: | | | | | |
| Transfers from - | | | | | |
| Public Utility Fund | 40,970 | 40,000 | 40,000 | - | 35,000 |
| Sales Tax Fund | 10,000 | 8,000 | 8,000 | - | - |
| Proceeds from capital lease | 24,329 | 24,329 | 24,329 | - | - |
| Total other financing sources | <u>75,299</u> | <u>72,329</u> | <u>72,329</u> | <u>-</u> | <u>35,000</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures | (18,136) | (22,498) | (20,203) | 2,295 | 27,672 |
| Fund balance, beginning | <u>91,100</u> | <u>91,100</u> | <u>91,100</u> | <u>-</u> | <u>63,428</u> |
| Fund balance, ending | <u>\$ 72,964</u> | <u>\$ 68,602</u> | <u>\$ 70,897</u> | <u>\$ 2,295</u> | <u>\$ 91,100</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA
Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

| | 2004 | | | Variance with Final Budget Positive (Negative) | 2003 Actual |
|---|------------------|------------------|------------------|---|------------------|
| | Budget | | Actual | | |
| | Original | Final | | | |
| Revenues: | | | | | |
| Taxes | \$ 52,000 | \$ 52,000 | \$ 51,410 | \$ (590) | \$ 54,927 |
| Miscellaneous - interest | 500 | 200 | 166 | (34) | 249 |
| Total revenues | <u>52,500</u> | <u>52,200</u> | <u>51,576</u> | <u>(624)</u> | <u>55,176</u> |
| Expenditures: | | | | | |
| General government | 2,350 | 2,340 | 1,500 | 840 | 1,978 |
| Capital outlay | - | - | 850 | (850) | 3,744 |
| Total expenditures | <u>2,350</u> | <u>2,340</u> | <u>2,350</u> | <u>(10)</u> | <u>5,722</u> |
| Excess of revenues over expenditures | <u>50,150</u> | <u>49,860</u> | <u>49,226</u> | <u>(634)</u> | <u>49,454</u> |
| Other financing uses: | | | | | |
| Transfers to other funds: | <u>(35,850)</u> | <u>(39,828)</u> | <u>(41,281)</u> | <u>(1,453)</u> | <u>(39,838)</u> |
| Excess of revenues over expenditures and other uses | 14,300 | 10,032 | 7,945 | (2,087) | 9,616 |
| Fund balances, beginning | <u>16,863</u> | <u>16,863</u> | <u>16,863</u> | <u>-</u> | <u>7,247</u> |
| Fund balances, ending | <u>\$ 31,163</u> | <u>\$ 26,895</u> | <u>\$ 24,808</u> | <u>\$ (2,087)</u> | <u>\$ 16,863</u> |

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

| | 2004 | | | Variance with Final Budget Positive (Negative) | 2003 Actual |
|---|---------------|---------------|---------------|---|----------------|
| | Budget | | Actual | | |
| | Original | Final | | | |
| Taxes: | | | | | |
| Ad valorem | \$ 12,000 | \$ 12,816 | \$ 12,919 | \$ 103 | \$ 11,973 |
| Sales tax | 19,500 | 18,850 | 19,279 | 429 | 20,405 |
| Franchise - | | | | | |
| Electric | 22,000 | 26,547 | 24,494 | (2,053) | 23,209 |
| Telephone | 7,700 | 5,042 | 3,719 | (1,323) | 6,763 |
| Cable TV | 5,000 | 5,853 | 7,839 | 1,986 | 7,830 |
| Total taxes | <u>66,200</u> | <u>69,108</u> | <u>68,250</u> | <u>(858)</u> | <u>70,180</u> |
| Licenses and permits: | | | | | |
| Occupational licenses | <u>21,500</u> | <u>24,200</u> | <u>24,138</u> | <u>(62)</u> | <u>24,229</u> |
| Total licenses and permits | <u>21,500</u> | <u>24,200</u> | <u>24,138</u> | <u>(62)</u> | <u>24,229</u> |
| Intergovernmental: | | | | | |
| Federal grants - | | | | | |
| Federal Emergency Management Assistance | - | - | - | - | 3,334 |
| State of Louisiana - | | | | | |
| Safe and Sober | - | - | - | - | 1,200 |
| Department of Revenue and Taxation: | | | | | |
| Beer taxes | 2,500 | 2,244 | 1,804 | (440) | 1,376 |
| Department of Transportation: | | | | | |
| Grass cutting | 4,790 | 4,790 | 4,790 | - | 4,789 |
| Office of Rural Development: | | | | | |
| Recreation improvements | - | - | - | - | 10,000 |
| Police department | <u>2,700</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total intergovernmental | <u>9,990</u> | <u>7,034</u> | <u>6,594</u> | <u>(440)</u> | <u>20,699</u> |

(continued)

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues (continued)
For the Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

| | 2004 | | Actual | Variance with Final Budget Positive (Negative) | 2003 Actual |
|-----------------------|-------------------|-------------------|-------------------|---|-------------------|
| | Budget | | | | |
| | Original | Final | | | |
| Fines and forfeits: | | | | | |
| Fines and court costs | <u>33,300</u> | <u>45,079</u> | <u>44,053</u> | <u>(1,026)</u> | <u>34,693</u> |
| Miscellaneous: | | | | | |
| Interest | 500 | 960 | 864 | (96) | 995 |
| Casino funds | 50,000 | 43,738 | 43,738 | - | 64,170 |
| Rental | 3,000 | 3,400 | 2,970 | (430) | 4,195 |
| Street light income | 5,000 | 5,000 | 3,772 | (1,228) | 5,103 |
| Other sources | <u>3,700</u> | <u>5,779</u> | <u>4,434</u> | <u>(1,345)</u> | <u>1,960</u> |
| Total miscellaneous | <u>62,200</u> | <u>58,877</u> | <u>55,778</u> | <u>(3,099)</u> | <u>76,423</u> |
| Total revenues | <u>\$ 193,190</u> | <u>\$ 204,298</u> | <u>\$ 198,813</u> | <u>\$ (5,485)</u> | <u>\$ 226,224</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

| | 2004 | | | Variance with Final Budget Positive (Negative) | 2003 Actual |
|------------------------------|---------------|---------------|---------------|---|----------------|
| | Budget | | Actual | | |
| | Original | Final | | | |
| General government: | | | | | |
| Administration: | | | | | |
| Salaries & per diem | \$ 68,832 | \$ 68,600 | \$ 69,229 | \$ (629) | \$ 65,932 |
| Payroll taxes | 6,500 | 6,000 | 6,492 | (492) | 5,162 |
| Insurance | 5,775 | 4,075 | 5,181 | (1,106) | 2,957 |
| Office supplies and expenses | 2,500 | 2,500 | 1,347 | 1,153 | 2,386 |
| Legal and professional fees | 3,500 | 1,825 | 2,375 | (550) | 2,415 |
| Other | 4,890 | 8,674 | 7,347 | 1,327 | 5,270 |
| Benefits | 4,800 | 4,800 | 2,475 | 2,325 | 4,561 |
| Total general government | <u>96,797</u> | <u>96,474</u> | <u>94,446</u> | <u>2,028</u> | <u>88,683</u> |
| Public safety - | | | | | |
| Police: | | | | | |
| Salaries | 51,722 | 54,222 | 54,542 | (320) | 45,349 |
| Payroll taxes | 2,000 | 2,000 | 2,524 | (524) | 2,285 |
| Automobile expense | 10,000 | 13,000 | 14,540 | (1,540) | 7,540 |
| Insurance | 10,000 | 9,995 | 8,492 | 1,503 | 9,231 |
| Benefits | 1,872 | 1,872 | 1,949 | (77) | 1,920 |
| Supplies | 5,000 | 7,000 | 7,978 | (978) | 5,764 |
| Other | 5,900 | 6,700 | 5,646 | 1,054 | 5,909 |
| Total police | <u>86,494</u> | <u>94,789</u> | <u>95,671</u> | <u>(882)</u> | <u>77,998</u> |
| Fire: | | | | | |
| Insurance | 9,600 | 11,451 | 6,239 | 5,212 | 7,827 |
| Supplies | 1,000 | 880 | 791 | 89 | 521 |
| Miscellaneous | 500 | - | - | - | - |
| Truck expenses | 5,000 | 200 | 197 | 3 | 1,327 |
| Total fire | <u>16,100</u> | <u>12,531</u> | <u>7,227</u> | <u>5,304</u> | <u>9,675</u> |

(continued)

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (continued)
For the Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

| | 2004 | | Actual | Variance with Final Budget Positive (Negative) | 2003 Actual |
|---------------------------------------|-----------------------|-----------------------|-----------------------|---|----------------------|
| | Budget | | | | |
| | <u>Original</u> | <u>Final</u> | | | |
| Streets and sidewalks - | | | | | |
| Street lights and power | 13,000 | 14,480 | 14,694 | (214) | 13,456 |
| Truck and tractor expenses | 3,000 | 1,300 | 1,273 | 27 | 1,634 |
| Sidewalk construction and maintenance | 26,000 | 12,390 | 12,127 | 263 | 7,354 |
| Insurance | 800 | 710 | 751 | (41) | 724 |
| Animal control | 300 | 40 | 40 | - | 80 |
| Other | 200 | 200 | 197 | 3 | 233 |
| Total streets and sidewalks | <u>43,300</u> | <u>29,120</u> | <u>29,082</u> | <u>38</u> | <u>23,481</u> |
| Recreation - | | | | | |
| Tennis courts and park: | | | | | |
| Materials and supplies | 1,000 | 773 | 1,080 | (307) | 1,620 |
| Utilities | 300 | 300 | 284 | 16 | 271 |
| Total tennis courts | <u>1,300</u> | <u>1,073</u> | <u>1,364</u> | <u>(291)</u> | <u>1,891</u> |
| Community center: | | | | | |
| Materials and supplies | 1,160 | 1,218 | 1,629 | (411) | 2,592 |
| Insurance | 600 | 1,007 | 755 | 252 | 644 |
| Other | 9,000 | 3,650 | 2,468 | 1,182 | 2,155 |
| Total community center | <u>10,760</u> | <u>5,875</u> | <u>4,852</u> | <u>1,023</u> | <u>5,391</u> |
| Total recreation | <u>12,060</u> | <u>6,948</u> | <u>6,216</u> | <u>732</u> | <u>7,282</u> |
| Capital outlay: | | | | | |
| General government - | 5,000 | 2,542 | 2,542 | - | 1,855 |
| Police department | 6,000 | 27,577 | 26,277 | 1,300 | 2,727 |
| Fire department | 10,000 | - | - | - | - |
| Streets and sidewalks | 1,000 | 21,700 | 22,441 | (741) | 4,012 |
| Community center | 3,000 | 570 | 569 | 1 | 965 |
| Recreation department | - | - | - | - | 10,000 |
| Total capital outlay | <u>25,000</u> | <u>52,389</u> | <u>51,829</u> | <u>560</u> | <u>19,559</u> |
| Debt service | <u>6,874</u> | <u>6,874</u> | <u>6,874</u> | <u>-</u> | <u>6,874</u> |
| Total expenditures | <u>\$ 286,625</u> | <u>\$ 299,125</u> | <u>\$ 291,345</u> | <u>\$ 7,780</u> | <u>\$233,552</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA
Debt Service Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

| | 2004 | | | | 2003 Actual |
|--|-------------------|-------------------|-------------------|---|------------------|
| | Budget | | Actual | Variance- Favorable (Unfavorable) | |
| | Original | Final | | | |
| Revenues: | | | | | |
| Miscellaneous - interest | \$ 1,600 | \$ 1,600 | \$ 1,532 | \$ (68) | \$ 1,861 |
| Expenditures: | | | | | |
| Debt service - | | | | | |
| Principal retirement | 17,000 | 17,000 | 17,000 | - | 16,000 |
| Interest and fiscal charges | <u>2,200</u> | <u>2,200</u> | <u>3,054</u> | <u>(854)</u> | <u>4,001</u> |
| Total expenditures | <u>19,200</u> | <u>19,200</u> | <u>20,054</u> | <u>(854)</u> | <u>20,001</u> |
| Deficiency of revenues over expenditures | (17,600) | (17,600) | (18,522) | (922) | (18,140) |
| Other financing sources: | | | | | |
| Transfers in | <u>22,000</u> | <u>22,000</u> | <u>21,980</u> | <u>(20)</u> | <u>20,838</u> |
| Excess of revenues and other sources over expenditures | 4,400 | 4,400 | 3,458 | (942) | 2,698 |
| Fund balance, beginning | <u>98,519</u> | <u>98,519</u> | <u>98,519</u> | <u>-</u> | <u>95,821</u> |
| Fund balance, ending | <u>\$ 102,919</u> | <u>\$ 102,919</u> | <u>\$ 101,977</u> | <u>\$ (942)</u> | <u>\$ 98,519</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA
Capital Projects Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

| | 2004 | | | | 2003 Actual |
|---|----------------|----------------|----------------|--|----------------|
| | Budget | | Actual | Variance - Favorable (Unfavorable) | |
| | Original | Final | | | |
| Revenues: | | | | | |
| Intergovernmental revenue - State Grant | \$ 117,217 | \$ 117,217 | \$ 117,217 | \$ - | \$ 311,086 |
| Expenditures: | | | | | |
| Capital outlay | <u>117,217</u> | <u>117,217</u> | <u>117,217</u> | <u>-</u> | <u>311,086</u> |
| Excess of revenues over expenditures | - | - | - | - | - |
| Fund balance, beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2004 and 2003

Records maintained by the Village indicated the following number of customers were being serviced during the month of June, 2004 and 2003:

| <u>Department</u> | <u>2004</u> | <u>2003</u> |
|-------------------|-------------|-------------|
| Water and Gas | | |
| Commercial | 35 | 17 |
| Residential | <u>868</u> | <u>521</u> |
| Total | <u>903</u> | <u>538</u> |
| Sewerage: | | |
| Commercial | 15 | 17 |
| Residential | <u>418</u> | <u>412</u> |
| Total | <u>433</u> | <u>429</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA

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

| <u>Description of Coverage</u> | <u>Asset Covered</u> | <u>Ins. Co.</u> | <u>Policy Number</u> | <u>Expiration Date</u> |
|--------------------------------|--|-------------------------------------|--|-------------------------------|
| Workmen's compensation | Employees 22 Volunteer Firemen | Risk Management Specil Risk Ins. | WC-0210 77616 | 1/1/05 11/12/04 |
| Fire | Water Plant Community Center City Hall | Prejean LB Coco LB Coco | 2X8-47-66-04 GGACF1399 GGACF1399 | 1/16/05 9/30/04 9/30/04 |
| General Liability | N/A | Risk Management | LML-272 | 4/1/05 |
| Physical Damage | Police Cars | Prejean | 5CA7271 | 4/15/05 |
| Inland Marine | Town Equipment | Prejean | 2X8-47-66-04 | 1/16/05 |
| Blanket Bond | Clerk | Cenla Ins. Exchange | 18198437 | 3/3/06 |

VILLAGE OF MOREAUVILLE, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended June 30, 2004 and 2003

| | Totals | | Gas & Water | | Sewer | |
|------------------------------------|--------------------|---------------------|-----------------|--------------------|--------------------|--------------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Operating revenues: | | | | | | |
| Gas sales | \$ 389,799 | \$ 352,221 | \$ 389,799 | \$ 352,221 | \$ - | \$ - |
| Water sales | 106,746 | 87,011 | 106,746 | 87,011 | - | - |
| Sewerage sales | 55,619 | 63,668 | - | - | 55,619 | 63,668 |
| Installation and other charges | 20,174 | 18,463 | 20,081 | 18,463 | 93 | - |
| Total operating revenues | 572,338 | 521,363 | 516,626 | 457,695 | 55,712 | 63,668 |
| Operating expenses: | | | | | | |
| Gas purchased | 243,929 | 223,045 | 243,929 | 223,045 | - | - |
| Salaries and related benefits | 73,486 | 84,947 | 68,353 | 65,484 | 5,133 | 19,463 |
| Depreciation | 131,322 | 126,119 | 63,050 | 62,117 | 68,272 | 64,002 |
| Maintenance and repairs | 42,487 | 40,452 | 21,417 | 24,581 | 21,070 | 15,871 |
| Supplies | 21,659 | 15,971 | 19,111 | 15,084 | 2,548 | 887 |
| Contractual services | 5,738 | 16,897 | 4,050 | 15,302 | 1,688 | 1,595 |
| Insurance | 23,080 | 24,232 | 21,418 | 22,654 | 1,662 | 1,578 |
| Benefits | 4,062 | 5,411 | 4,062 | 5,411 | - | - |
| Truck and tractor expenses | 12,415 | 14,864 | 12,089 | 13,721 | 326 | 1,143 |
| Office expense | 9,531 | 10,147 | 9,531 | 10,147 | - | - |
| Other supplies and expenses | 6,898 | 8,944 | 6,898 | 8,944 | - | - |
| Collection expenses | 104 | 114 | 104 | 114 | - | - |
| Utilities and telephone | 37,167 | 32,784 | 18,768 | 17,910 | 18,399 | 14,874 |
| Testing and sludge removal | 1,955 | 2,220 | - | - | 1,955 | 2,220 |
| Gas and oil | 8,464 | 7,579 | 7,543 | 6,743 | 921 | 836 |
| Miscellaneous | 16,312 | 13,263 | 13,252 | 10,431 | 3,060 | 2,832 |
| Total operating expenses | 638,609 | 626,989 | 513,575 | 501,688 | 125,034 | 125,301 |
| Net operating income (loss) | \$ (66,271) | \$ (105,626) | \$ 3,051 | \$ (43,993) | \$ (69,322) | \$ (61,633) |

VILLAGE OF MOREAUVILLE, LOUISIANA
Capital Projects Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

| | 2004 | | | | 2003 Actual |
|---|----------------|----------------|----------------|--|----------------|
| | Budget | | Actual | Variance - Favorable (Unfavorable) | |
| | Original | Final | | | |
| Revenues: | | | | | |
| Intergovernmental revenue - State Grant | \$ 117,217 | \$ 117,217 | \$ 117,217 | \$ - | \$ 311,086 |
| Expenditures: | | | | | |
| Capital outlay | <u>117,217</u> | <u>117,217</u> | <u>117,217</u> | <u>-</u> | <u>311,086</u> |
| Excess of revenues over expenditures | - | - | - | - | - |
| Fund balance, beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2004 and 2003

Records maintained by the Village indicated the following number of customers were being serviced during the month of June, 2004 and 2003:

| <u>Department</u> | <u>2004</u> | <u>2003</u> |
|-------------------|-------------|-------------|
| Water and Gas | | |
| Commercial | 35 | 17 |
| Residential | <u>868</u> | <u>521</u> |
| Total | <u>903</u> | <u>538</u> |
| Sewerage: | | |
| Commercial | 15 | 17 |
| Residential | <u>418</u> | <u>412</u> |
| Total | <u>433</u> | <u>429</u> |

VILLAGE OF MOREAUVILLE, LOUISIANA

Schedule of Insurance In Force

(Unaudited)

June 30, 2004

| <u>Description of Coverage</u> | <u>Asset Covered</u> | <u>Ins. Co.</u> | <u>Policy Number</u> | <u>Expiration Date</u> |
|--------------------------------|--|-------------------------------------|--|-------------------------------|
| Workmen's compensation | Employees 22 Volunteer Firemen | Risk Management Specil Risk Ins. | WC-0210 77616 | 1/1/05 11/12/04 |
| Fire | Water Plant Community Center City Hall | Prejean LB Coco LB Coco | 2X8-47-66-04 GGACF1399 GGACF1399 | 1/16/05 9/30/04 9/30/04 |
| General Liability | N/A | Risk Management | LML-272 | 4/1/05 |
| Physical Damage | Police Cars | Prejean | 5CA7271 | 4/15/05 |
| Inland Marine | Town Equipment | Prejean | 2X8-47-66-04 | 1/16/05 |
| Blanket Bond | Clerk | Cenla Ins. Exchange | 18198437 | 3/3/06 |

VILLAGE OF MOREAUVILLE, LOUISIANA

Enterprise Fund

Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended June 30, 2004 and 2003

| | Totals | | | Gas & Water | | Sewer | |
|------------------------------------|--------------------|---------------------|-----------------|--------------------|--------------------|--------------------|--|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | |
| Operating revenues: | | | | | | | |
| Gas sales | \$ 389,799 | \$ 352,221 | \$ 389,799 | \$ 352,221 | \$ - | \$ - | |
| Water sales | 106,746 | 87,011 | 106,746 | 87,011 | - | - | |
| Sewerage sales | 55,619 | 63,668 | - | - | 55,619 | 63,668 | |
| Installation and other charges | 20,174 | 18,463 | 20,081 | 18,463 | 93 | - | |
| Total operating revenues | 572,338 | 521,363 | 516,626 | 457,695 | 55,712 | 63,668 | |
| Operating expenses: | | | | | | | |
| Gas purchased | 243,929 | 223,045 | 243,929 | 223,045 | - | - | |
| Salaries and related benefits | 73,486 | 84,947 | 68,353 | 65,484 | 5,133 | 19,463 | |
| Depreciation | 131,322 | 126,119 | 63,050 | 62,117 | 68,272 | 64,002 | |
| Maintenance and repairs | 42,487 | 40,452 | 21,417 | 24,581 | 21,070 | 15,871 | |
| Supplies | 21,659 | 15,971 | 19,111 | 15,084 | 2,548 | 887 | |
| Contractual services | 5,738 | 16,897 | 4,050 | 15,302 | 1,688 | 1,595 | |
| Insurance | 23,080 | 24,232 | 21,418 | 22,654 | 1,662 | 1,578 | |
| Benefits | 4,062 | 5,411 | 4,062 | 5,411 | - | - | |
| Truck and tractor expenses | 12,415 | 14,864 | 12,089 | 13,721 | 326 | 1,143 | |
| Office expense | 9,531 | 10,147 | 9,531 | 10,147 | - | - | |
| Other supplies and expenses | 6,898 | 8,944 | 6,898 | 8,944 | - | - | |
| Collection expenses | 104 | 114 | 104 | 114 | - | - | |
| Utilities and telephone | 37,167 | 32,784 | 18,768 | 17,910 | 18,399 | 14,874 | |
| Testing and sludge removal | 1,955 | 2,220 | - | - | 1,955 | 2,220 | |
| Gas and oil | 8,464 | 7,579 | 7,543 | 6,743 | 921 | 836 | |
| Miscellaneous | 16,312 | 13,263 | 13,252 | 10,431 | 3,060 | 2,832 | |
| Total operating expenses | 638,609 | 626,989 | 513,575 | 501,688 | 125,034 | 125,301 | |
| Net operating income (loss) | \$ (66,271) | \$ (105,626) | \$ 3,051 | \$ (43,993) | \$ (69,322) | \$ (61,633) | |

**COMPLIANCE
AND
INTERNAL CONTROL**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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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 Lionel, J. Bordelon, Jr., Mayor
and Members of the Board of Aldermen
Village of Moreauville, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information the Village of Moreauville, Louisiana (the Village) as of and for the year ended June 30, 2004, which collectively comprise the Village of Moreauville, Louisiana's basic financial statements and have issued our report thereon dated September 1, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 04-1(IC).

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

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

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

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

We also noted another matter concerning financial operations that we have reported to the management of the Village in a separate letter dated September 1, 2004.

This report is intended solely for the information and use of the Village's management and is not intended to be and should not be used by anyone other than these specified parties.

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

Moreauville, Louisiana
September 1, 2004

VILLAGE OF MOREAUVILLE, LOUISIANA

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

| Ref. No. | Fiscal Year Finding Initially Occurred | Description of finding | Corrective Action Taken | Corrective Action Planned | Name of Contact Person | Anticipated Completion Date |
|-------------------------------|--|---|-------------------------|--|------------------------|-----------------------------|
| <u>CURRENT YEAR (6/30/04)</u> | | | | | | |
| <u>Compliance</u> | | | | | | |
| N/A | N/A | There are no compliance findings. | N/A | N/A | N/A | N/A |
| <u>Internal Control:</u> | | | | | | |
| 01-1(IC) | Unknown | Due to the small number of administrative personnel, the Village did not have adequate segregation of accounting functions. | N/A | We agree that a complete segregation of accounting functions would strengthen the controls, but with limited current financial resources, we are not able to hire additional personnel at this time. | N/A | N/A |
| <u>PRIOR YEAR (6/30/03)</u> | | | | | | |
| <u>Compliance</u> | | | | | | |
| N/A | N/A | There are no compliance findings. | N/A | N/A | N/A | N/A |
| <u>Internal Control:</u> | | | | | | |
| 01-1(IC) | Unknown | Due to the small number of administrative personnel, the Village did not have adequate segregation of accounting functions. | N/A | We agree that a complete segregation of accounting functions would strengthen the controls, but with limited current financial resources, we are not able to hire additional personnel at this time. | N/A | N/A |

**LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements)**

_____ (Date Transmitted)

KOLDER, CHAMPAGEN, SLAVEN & COMPANY

133 EAST WADDIL STREET

P. O. BOX 531

MARKSVILLE, LA. 71351

(Auditors)

In connection with your audit of our financial statements as of JULY 2004
and for JUNE 2003 TO JULY 2004 (period of
audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in
accordance with generally accepted accounting principles, to assess our system of internal control as a
part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the
best of our knowledge and belief, the following representations. These representations are based on the
information available to us as of JULY 2004 (date completed/date of the
representations).

PART I. AGENCY PROFILE

1. Name and address of the organization.

VILLAGE OF MOREAUVILLE
P. O. BOX 57
MOREAUVILLE, LA. 71355

2. List the population of the municipality or parish based upon the last official United States Census or
most recent official census (municipalities and police juries only). Include the source of the information.

1,045

3. List names, addresses, and telephone numbers of entity officials. [Include elected/appointed members
of the governing board, chief executive and fiscal officer, and legal counsel.

| | | | |
|-------------------------|----------------------|----------------------|------------------|
| LIONEL J. BORDELON, JR. | TIMMY LEMOINE | CARLA SAYER | O. P. GOODY, JR. |
| 234 TASSIN ST. | P. O. BOX 235 | P. O. BOX 338 | P. O. BOX 271 |
| MOREAUVILLE, LA. 71355 | MOREAUVILLE LA 71355 | MOREAUVILLE LA 71355 | MOREAUVILLE LA |
| 318-985-2708 | 318-985-2178 | 318-985-3065 | 318-985-2179 |

4. Period of time covered by this questionnaire:

FISCAL YEAR ENDED 6/30/04

5. The entity has been organized under the following provisions of the Louisiana Revised Statute (s)
(LSA-RS) and, if applicable, local resolutions/ordinances.

LAWRASON ACT
33 SECTION 341 OF REVISED STATUES

6. Briefly describe the public services provided:
 GAS, WATER, & SEWER DEPARTMENTS
 FIRE DEPARTMENT
 POLICE DEPARTMENT
 PUBLIC WORKS, STREETS & DRAINAGE IMPROVEMENTS
7. Expiration date of current elected/appointed officials' terms.
 DECEMBER 2006

LEGAL COMPLIANCE

PART II. PUBLIC BID LAW

8. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.
- A) All public works purchases exceeding \$100,000 have been publicly bid.
- B) All material and supply purchases exceeding \$15,000 have been publicly bid.
- Yes No

PART III. CODE OF ETHICS LAW FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

9. It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.
 Yes No
10. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.
 Yes No

PART IV. LAWS AFFECTING BUDGETING

11. We have complied with the budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

A. Local Budget Act

1. We have adopted a budget for the General Fund and all special revenue funds (LSA-RS 39:1301).
2. The chief executive officer, or equivalent, has prepared a proposed budget that included a budget message, a proposed budget for the General Fund and each special revenue fund, and a budget adoption instrument that specified the chief executive's authority to make budgetary amendments without approval of the governing authority. Furthermore, the proposed expenditures did not exceed estimated funds to be available during the period (LSA-RS 39:1304).
3. The proposed budget was submitted to the governing authority and made available for public inspection at least 15 days prior to the beginning of the budget year (LSA-RS 39:1305).
4. To the extent that proposed expenditures were greater than \$250,000, we have made the budget available for public inspection and have advertised its availability in our official journal. The advertisement included the date, time, and place of the public hearing on the budget. Notice has also been published

certifying that all actions required by the Local Government Budget Act have been completed (LSA-RS 39:1306).

5. The proposed budget was made available for public inspection at the location required by LSA-RS 39:1307.

6. All action necessary to adopt and finalize the budget was completed prior to year end. The adopted budget contained the same information as that required for the proposed budget [LSA-RS 39:1304(c) .

7. After adoption, a certified copy of the budget has been retained by the chief executive officer or equivalent officer (LSA-RS 39:1308).

8. The chief executive officer or equivalent notified in writing the governing authority during the year when actual receipts plus projected revenue collections for the year failed to meet budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures by five percent or more (LSA-RS 39:1310). (Note, state law exempts from the amendment requirements special revenue funds with anticipated expenditures of \$250,000 or less and exempts special revenue funds whose expenditures drive revenue recognition-primarily federal funds.)

9. The governing authority has amended its budget when notified, as provided by LSA-RS 39:1310 (LSA-RS 39:1309).

Yes No []

B. State Budget Requirements

1. The state agency has complied with the budgetary requirements of LSA-RS 39:34.

Yes No []

C. Licensing Boards

1. The licensing board has complied with the budgetary requirements of R. S. 39:1331-1342.

Yes No []

PART V. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING LAWS

12. We have maintained our accounting records in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements to comply with LSA-RS 24:514, 24:515, and/or 33:463.

Yes No []

13. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No []

14. We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No []

15. We have had our financial statements audited in a timely manner in accordance with LSA-RS 24:513.

Yes No []

PART VI. ASSET MANAGEMENT LAWS

16. We have maintained records of our general fixed assets and movable property, as required by LSA-RS 24:515 and/or 39:321-332, as applicable.

Yes No []

PART VII. FISCAL AGENCY AND CASH MANAGEMENT LAWS

17. We have complied with the fiscal agency and cash management requirements of LSA-RS 39:1211-45 and 49:301-327, as applicable.

Yes No

PART VIII. DEBT RESTRICTION LAWS

18. It is true we have not incurred any long-term indebtedness without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes No

19. We have complied with the debt limitation requirements of state law (LSA-RS 39:562).

Yes No

20. We have complied with the reporting requirements relating to the Fiscal Review Committee of the State Bond Commission (LSA-RS 39:1351).

Yes No

PART IX. REVENUE AND EXPENDITURE RESTRICTION LAWS

21. We have restricted the collections and expenditures of revenues to those amounts authorized by Louisiana statutes, tax propositions, and budget ordinances.

Yes No

22. It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No

23. It is true that no property or things of value have been loaned, pledged, or granted to anyone in violation of Article VII, Section 14 or the 1974 Louisiana Constitution.

Yes No

PART X. QUESTIONS FOR SPECIFIC GOVERNMENTAL UNITS

Police Juries

24. We have adopted a system of road administration that provides as follows:

- A. Approval of the governing authority of all expenditures, LSA-RS 48:754(A).
- B. Development of a capital improvement program on a selective basis, LSA-RS 48:754(A)&(B).
- C. Centralized purchasing of equipment and supplies, LSA-RS 48:754(A).
- D. Centralized accounting, LSA-RS 48:754(A).
- E. A construction program based on engineering plans and inspections, LSA-RS 48:754(A)&(B).
- F. Selective maintenance program, LSA-RS 48:754(A)&(B).

G. Annual certification of compliance to the legislative auditor, LSA-RS 48:757(C).
Yes No

School Boards

25. We have complied with the general statutory, constitutional, and regulatory provisions of the Louisiana Department of Education, LSA-RS 17:51-401.
Yes No

26. We have complied with the regulatory circulars issued by the Louisiana Department of Education that govern the Minimum Foundation Program.
Yes No

Tax Collectors

27. We have complied with the general statutory requirements of LSA-RS 47, Chapter 4.
Yes No

Sheriffs

28. We have complied with the state supplemental pay regulations of LSA-RS 33:2218.8.
Yes No

29. We have complied with LSA-RS 33:1432 relating to the feeding and keeping of prisoners.
Yes No

District Attorneys

30. We have complied with the regulations of the Louisiana Department of Social Services that relate to the Title IV-D Program.
Yes No

Assessors

31. We have complied with the regulatory requirements found in Title 47 of the Louisiana Revised Statutes.
Yes No

32. We have complied with the regulations of the Louisiana Tax Commission relating to the reassessment of property.
Yes No

Clerks of Court

33. We have complied with LSA-RS 13:751-960.
Yes No

Libraries

34. We have complied with the regulations of the Louisiana State Library.
Yes No

Municipalities

35. Minutes are taken at all meetings of the governing authority. LSA-RS 42:7.1 (Act 665 of 1976).
Yes [] No []
36. Minutes, ordinances, resolutions, budgets, and other official proceedings of the municipalities are published in the official journal. LSA-RS 43:143-144 and A.G. 82-383.
Yes [] No []
37. All official action taken by the municipality is conducted at public meetings. LSA-RS 42:4.1-12 (Act 665 of 1976).
Yes [] No []

Airports

38. We have submitted our applications for funding airport construction or development to the Department of Transportation and Development as required by LSA-RS 2:802.
Yes [] No []
39. We have adopted a system of administration that provides for approval by the department for any expenditures of funds appropriated from the Transportation Trust Fund, and no funds have been expended without department approval (LSA-RS 2:810).
Yes [] No []
40. All project funds have been expended on the project and for no other purpose (LSA-RS 2:810).
Yes [] No []
41. We have certified to the legislative auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (LSA-RS 2:811).
Yes [] No []

Ports

42. We have submitted our applications for funding port construction or development to the Department of Transportation and Development as required by LSA-RS 34:3432.
Yes [] No []
43. We have adopted a system of administration that provides for approval by the department for any expenditures of funds made out of state and local matching funds, and no funds have been expended without department approval (LSA-RS 34:3460).
Yes [] No []
44. All project funds have been expended on the project and for no other purpose (LSA-RS 34:3460).
Yes [] No []
45. We have established a system of administration that provides for the development of a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting, and the selective maintenance and construction of port facilities based upon engineering plans and inspections (LSA-RS 34:3460).
Yes [] No []
46. We have certified to the legislative auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (LSA-RS 34:3461).
Yes [] No []

Sewerage Districts

47. We have complied with the statutory requirements of LSA-RS 33:3881-4159.
Yes [] No []

Waterworks Districts

48. We have complied with the statutory requirements of LSA-RS 33:3811-3836.
Yes [] No []

Utility Districts

49. We have complied with the statutory requirements of LSA-RS 33:4161-4533.

Yes No

Drainage and Irrigation Districts

50. We have complied with the statutory requirements of LSA-RS 38:1601-1707 (Drainage Districts); LSA-RS 38:1751-1904 (Gravity Drainage Districts); LSA-RS 38:1991-2048 (Levee and Drainage Districts); or LSA-RS 38:2101-2123 (Irrigation Districts), as appropriate.

Yes No

Fire Protection Districts

51. We have complied with the statutory requirements of LSA-RS 40:1491-1505.

Yes No

Other Special Districts

52. We have complied with those specific statutory requirements of state law applicable to our district.

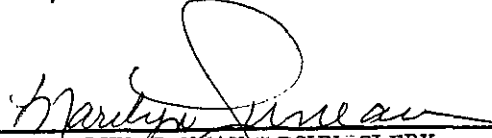

Yes No

Quasi-Public Corporations

53. We have complied with the award or grant restrictions relating to our receipt of public funds.

Yes No

The previous responses have been made to the best of our belief and knowledge.

| | | | |
|---|-----------|--------|------|
|  | Secretary | 7/1/04 | Date |
| MARILYNN JUNEAU, TOWN CLERK | Treasurer | | Date |
|  | President | 7/1/04 | Date |
| LIONEL J. BORDELON, JR., MAYOR | | | |