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**TOWN OF CHURCH POINT, LOUISIANA**

**Financial Report**

**Year Ended September 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 2-9-05

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## INDEPENDENT AUDITORS' REPORT

\* A Professional Accounting Corporation

The Honorable Roger Boudreaux,  
and Members of the Board of Aldermen  
Town of Church Point, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the Town of Church Point, Louisiana, as of and for the year ended September 30, 2004, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Church Point, Louisiana, as of September 30, 2004, and 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.

In accordance with Government Auditing Standards, we have also issued a report dated December 9, 2004 on our consideration of the Town of Church Point's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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The required supplementary information on pages 39 through 41 are not a required part of the basic financial statements but are supplementary information required by the Governmental Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Church Point's basic financial statements. The other supplementary information on pages 43 through 62 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" (page 59) on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic 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 general purpose financial statements of the Town of Church Point, Louisiana.

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

Lafayette, Louisiana  
December 9, 2004

**BASIC FINANCIAL STATEMENTS**

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

TOWN OF CHURCH POINT, LOUISIANA

Statement of Net Assets

September 30, 2004

With Comparative Totals for September 30, 2003

	2004			2003 Totals
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$ 347,651	\$ 203,755	\$ 551,406	\$ 782,849
Receivables, net	101,385	115,072	216,457	182,442
Internal balances	(6,622)	6,622	-	-
Due from other governmental units	98,443	-	98,443	51,693
Inventory	-	13,129	13,129	13,087
Prepaid insurance	8,091	1,237	9,328	-
Total current assets	<u>548,948</u>	<u>339,815</u>	<u>888,763</u>	<u>1,030,071</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	1,208,486	1,208,486	1,280,491
Capital assets, net	1,953,306	6,124,329	8,077,635	7,626,930
Total noncurrent assets	<u>1,953,306</u>	<u>7,332,815</u>	<u>9,286,121</u>	<u>8,907,421</u>
Total assets	<u>2,502,254</u>	<u>7,672,630</u>	<u>10,174,884</u>	<u>9,937,492</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and other payables	112,871	48,003	160,874	81,322
Deferred revenue - FEMA (federal)	26,514	-	26,514	62,144
Deferred revenue - FEMA (state)	2,849	-	2,849	7,381
General obligation bonds payable	30,000	-	30,000	29,000
Revenue bonds payable	-	145,149	145,149	138,195
Accrued interest	1,540	16,513	18,053	18,888
Total current liabilities	<u>173,774</u>	<u>209,665</u>	<u>383,439</u>	<u>336,930</u>
Noncurrent liabilities:				
Customers' deposits	-	84,678	84,678	77,441
General obligation bonds payable	231,000	-	231,000	261,000
Revenue bonds payable	-	3,188,794	3,188,794	3,333,951
Total noncurrent liabilities	<u>231,000</u>	<u>3,273,472</u>	<u>3,504,472</u>	<u>3,672,392</u>
Total liabilities	<u>404,774</u>	<u>3,483,137</u>	<u>3,887,911</u>	<u>4,009,322</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	1,692,306	2,935,535	4,627,841	4,002,979
Restricted for debt service	3,452	792,238	795,690	663,446
Unrestricted	401,722	461,720	863,442	1,261,745
Total net assets	<u>\$ 2,097,480</u>	<u>\$ 4,189,493</u>	<u>\$ 6,286,973</u>	<u>\$ 5,928,170</u>

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



TOWN OF CHURCH POINT, LOUISIANA

Statement of Activities  
For the Year Ended September 30, 2004

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 350,779	\$ 178,105	\$ -	\$ -	\$ (172,674)	\$ -	\$ (172,674)
Public safety:							
Police	594,367	140,899	200,458	-	(253,010)	-	(253,010)
Fire	34,343	-	-	-	(34,343)	-	(34,343)
Culture & recreation	23,355	-	-	-	(23,355)	-	(23,355)
Public works	400,294	-	40,160	-	(360,134)	-	(360,134)
Interest on long-term debt	9,873	-	-	-	(9,873)	-	(9,873)
Total governmental activities	1,413,011	319,004	240,618	-	(853,389)	-	(853,389)
<b>Business-type activities:</b>							
Water	456,947	514,344	-	239,500	-	296,897	296,897
Sewer	401,053	353,141	-	-	-	(47,912)	(47,912)
Total business-type activities	858,000	867,485	-	239,500	-	248,985	248,985
Total primary government	\$ 2,271,011	\$ 1,186,489	\$ 240,618	\$ 239,500	(853,389)	248,985	(604,404)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					101,537	-	101,537
Sales and use taxes, levied for general purposes					427,657	-	427,657
Franchise taxes					250,823	-	250,823
Grants and contributions not restricted to specific programs -							
State sources					63,470	-	63,470
Interest and investment earnings					3,805	12,051	15,856
Miscellaneous					59,565	44,299	103,864
Transfers					68,777	(68,777)	-
Total general revenues and transfers					975,634	(12,427)	963,207
Change in net assets					122,245	236,558	358,803
Net assets - October 1, 2003					1,975,235	3,952,935	5,928,170
Net assets - September 30, 2004					\$ 2,097,480	\$ 4,189,493	\$ 6,286,973

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

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**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

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

### **Sales Tax Fund**

To account for the collection of a 1% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication. The proceeds of the 1% sales tax approved on 01/10/67 are dedicated to construction, improving and maintaining streets, drainage, drainage canals, subsurface drains, fire department stations and funding into bonds.

### **Enterprise Fund**

To account for the provision of water and sewerage services to residents of the Town. 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, and billing and collection.

TOWN OF CHURCH POINT, LOUISIANA

Balance Sheet  
Governmental Funds  
September 30, 2004  
With Comparative Totals for September 30, 2003

	<u>General</u>	<u>Sales Tax Fund</u>	<u>Other Governmental</u>	<u>Totals (Memorandum Only)</u>	
				2004	2003
<b>ASSETS</b>					
Cash	\$ 46,352	\$ 39,680	\$14,581	\$100,613	\$213,107
Interest-bearing deposits	10,000	237,038	-	247,038	295,530
Receivables:					
Grants receivable	-	-	36,584	36,584	-
Accrued interest	186	601	-	787	639
Other	64,014	-	-	64,014	67,817
Due from other funds	2,755	18,645	11	21,411	31,734
Due from other governments	45,082	53,361	-	98,443	51,693
Prepaid insurance	<u>5,625</u>	<u>2,466</u>	<u>-</u>	<u>8,091</u>	<u>-</u>
 Total assets	 <u>\$174,014</u>	 <u>\$351,791</u>	 <u>\$51,176</u>	 <u>\$576,981</u>	 <u>\$660,520</u>
 <b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 52,453	\$ 7,929	\$46,184	\$106,566	\$ 3,721
Accrued liabilities	4,730	1,575	-	6,305	-
Accounts payable - FEMA (federal)	-	-	-	-	1,289
Accounts payable - FEMA (state)	-	-	-	-	430
Deferred revenue - FEMA (federal)	-	26,514	-	26,514	62,144
Deferred revenue - FEMA (state)	-	2,849	-	2,849	7,381
Due to other funds	<u>28,033</u>	<u>-</u>	<u>-</u>	<u>28,033</u>	<u>38,502</u>
 Total liabilities	 <u>85,216</u>	 <u>38,867</u>	 <u>46,184</u>	 <u>170,267</u>	 <u>113,467</u>
Fund balances:					
Reserved for debt service	-	-	4,992	4,992	5,891
Unreserved, undesignated	<u>88,798</u>	<u>312,924</u>	<u>-</u>	<u>401,722</u>	<u>541,162</u>
 Total fund balances	 <u>88,798</u>	 <u>312,924</u>	 <u>4,992</u>	 <u>406,714</u>	 <u>547,053</u>
 Total liabilities and fund balances	 <u>\$174,014</u>	 <u>\$351,791</u>	 <u>\$51,176</u>	 <u>\$576,981</u>	 <u>\$660,520</u>

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

TOWN OF CHURCH POINT, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
September 30, 2004

Total fund balances for governmental funds at September 30, 2004		\$ 406,714
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 and construction in progress	\$179,227	
Buildings, net of \$310,536 accumulated depreciation	829,536	
Infrastructure, net of \$245,147 accumulated depreciation	677,764	
Vehicles, net of \$317,060 accumulated depreciation	171,120	
Equipment, net of \$82,259 accumulated depreciation	<u>95,659</u>	1,953,306
Long-term liabilities at September 30, 2004:		
Bonds payable	(261,000)	
Accrued interest payable	<u>(1,540)</u>	<u>(262,540)</u>
Total net assets of governmental activities at September 30, 2004		<u>\$ 2,097,480</u>

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

TOWN OF CHURCH POINT, LOUISIANA

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

Year Ended September 30, 2004

With Comparative Totals for the Year Ended September 30, 2003

	General	Sales Tax Fund	Other Governmental	Totals (Memorandum Only)	
				2004	2003
<b>Revenues:</b>					
Taxes	\$ 352,360	\$ 427,657	\$ -	\$ 780,017	\$ 826,605
Licenses and permits	165,203	-	-	165,203	171,140
Intergovernmental revenues	263,928	40,160	239,500	543,588	258,576
Charges for services	12,902	-	-	12,902	18,507
Continuing education fund	4,670	-	-	4,670	4,310
Fines	140,899	-	-	140,899	145,018
Miscellaneous-					
Rent income	30,475	-	-	30,475	26,530
Recycling income	4,972	-	-	4,972	-
Interest	777	2,897	131	3,805	4,345
Gain on sale of assets	4,160	-	-	4,160	-
Other	9,427	5,861	-	15,288	29,395
Total revenues	<u>989,773</u>	<u>476,575</u>	<u>239,631</u>	<u>1,705,979</u>	<u>1,484,426</u>
<b>Expenditures:</b>					
Current -					
General government	255,627	73,355	-	328,982	356,251
Public safety-					
Police	582,098	-	-	582,098	575,099
Fire	20,146	-	-	20,146	20,173
Public works	12,049	311,971	-	324,020	269,862
Public works - FEMA	-	47,248	-	47,248	210,565
Culture and recreation	17,380	-	-	17,380	16,015
Capital outlay	259,309	57,412	266,000	582,721	22,824
Debt service -					
Principal retirement	-	-	29,000	29,000	43,000
Interest and fiscal charges	-	-	10,000	10,000	7,286
Total expenditures	<u>1,146,609</u>	<u>489,986</u>	<u>305,000</u>	<u>1,941,595</u>	<u>1,521,075</u>
Deficiency of revenues over expenditures	<u>(156,836)</u>	<u>(13,411)</u>	<u>(65,369)</u>	<u>(235,616)</u>	<u>(36,649)</u>
<b>Other financing sources (uses):</b>					
Proceeds from issuance of debt	-	-	-	-	300,000
Transfers in	83,000	5,777	68,714	157,491	217,062
Transfers out	<u>(38,000)</u>	<u>(24,214)</u>	<u>-</u>	<u>(62,214)</u>	<u>(440,765)</u>
Total other financing sources (uses)	<u>45,000</u>	<u>(18,437)</u>	<u>68,714</u>	<u>95,277</u>	<u>76,297</u>
Net changes in fund balances	(111,836)	(31,848)	3,345	(140,339)	39,648
Fund balances, beginning	<u>200,634</u>	<u>344,772</u>	<u>1,647</u>	<u>547,053</u>	<u>507,405</u>
Fund balances, ending	<u>\$ 88,798</u>	<u>\$ 312,924</u>	<u>\$ 4,992</u>	<u>\$ 406,714</u>	<u>\$ 547,053</u>

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

TOWN OF CHURCH POINT, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year ended September 30, 2004

Total net changes in fund balances at September 30, 2004 per  
Statement of Revenues, Expenditures and Changes in Fund Balances \$ (140,339)

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	\$ 582,721	
Depreciation expense for the period ended September 30, 2004	(83,264)	
Less capital outlay transferred to Utility Fund from grant funds	(239,500)	
Less capital outlay transferred to Utility Fund from town funds	<u>(26,500)</u>	233,457

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.

29,000

Difference between interest on long-term debt on modified accrual basis  
versus interest on long-term debt on accrual basis

127

Total changes in net assets at September 30, 2004 per Statement of Activities \$ 122,245

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

TOWN OF CHURCH POINT, LOUISIANA

Comparative Statement of Net Assets  
 Proprietary Fund  
 September 30, 2004 and 2003

	<u>Enterprise Fund</u>	
	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 48,346	\$ 25,822
Interest-bearing deposits	155,409	187,537
<b>Receivables:</b>		
Accounts	89,935	86,878
Unbilled utility receivables	23,916	24,612
Accrued interest receivable	1,221	2,496
Due from other funds	9,523	9,523
Inventories	13,129	13,087
Prepaid item	1,237	-
Total current assets	<u>342,716</u>	<u>349,955</u>
<b>Noncurrent assets:</b>		
<b>Restricted assets -</b>		
Customers' deposits	84,678	77,441
Revenue bond sinking account	140,546	90,900
Revenue bond reserve account	539,346	484,104
Revenue contingency account	274,008	243,858
Revenue bond construction account	169,908	384,188
Capital assets, net of accumulated depreciation	<u>6,124,329</u>	<u>5,907,081</u>
Total noncurrent assets	<u>7,332,815</u>	<u>7,187,572</u>
Total assets	<u>7,675,531</u>	<u>7,537,527</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	41,643	9,767
Accrued liabilities	6,360	5,262
Due to other funds	2,901	2,755
<b>Payable from restricted assets -</b>		
Revenue bonds	145,149	138,195
Accrued interest payable	16,513	17,221
Total current liabilities	<u>212,566</u>	<u>173,200</u>
<b>Noncurrent liabilities:</b>		
Customers' deposits	84,678	77,441
Revenue bonds payable	<u>3,188,794</u>	<u>3,333,951</u>
Total noncurrent liabilities	<u>3,273,472</u>	<u>3,411,392</u>
Total liabilities	<u>3,486,038</u>	<u>3,584,592</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	2,935,535	2,573,130
Restricted for debt service	792,238	663,446
Unrestricted	461,720	716,359
Total net assets	<u>\$4,189,493</u>	<u>\$3,952,935</u>

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



TOWN OF CHURCH POINT, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets -  
Proprietary Fund  
Years Ended September 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Charges for services -		
Water sales	\$ 514,344	\$ 524,596
Sewer service charge	353,141	367,364
Other	<u>44,299</u>	<u>43,116</u>
Total operating revenues	<u>911,784</u>	<u>935,076</u>
Operating expenses:		
Salaries	95,385	131,221
Payroll taxes	7,256	9,945
Group insurance	23,670	17,051
Pension	5,253	8,308
Utilities	82,645	80,667
Repairs and maintenance	84,259	31,648
Auto expense	13,066	2,078
Legal and professional	21,333	27,088
Insurance	35,105	48,632
Operating supplies	29,942	27,280
Office supplies and expense	14,136	9,204
Dump and disposal charges	4,630	7,870
Inspection and testing	7,067	5,395
Chemicals	48,365	41,123
Bad debt expense	1,968	-
Depreciation	233,068	227,487
Administration fees	11,100	11,575
Other	<u>2,137</u>	<u>3,738</u>
Total operating expenses	<u>720,385</u>	<u>690,310</u>
Operating income	<u>191,399</u>	<u>244,766</u>
Nonoperating revenues (expenses):		
Interest income	12,051	16,840
Interest expense	(137,615)	(142,787)
Loss on disposal of assets	-	(372)
Total nonoperating revenues (expenses)	<u>(125,564)</u>	<u>(126,319)</u>
Income before contributions and transfers	<u>65,835</u>	<u>118,447</u>
Capital contributions	<u>239,500</u>	<u>239,115</u>
Transfers in (out):		
Transfers in	-	302,013
Transfers out	<u>(68,777)</u>	<u>(78,310)</u>
Total transfers in (out)	<u>(68,777)</u>	<u>223,703</u>
Change in net assets	236,558	581,265
Net assets, beginning	<u>3,952,935</u>	<u>3,371,670</u>
Net assets, ending	<u>\$ 4,189,493</u>	<u>\$ 3,952,935</u>

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

TOWN OF CHURCH POINT, LOUISIANA

Comparative Statement of Cash Flows  
 Proprietary Fund  
 Years Ended September 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Receipts from customers	\$ 864,428	\$ 895,414
Payments to suppliers	(358,974)	(320,967)
Payments to employees	(95,385)	(131,221)
Other receipts	44,299	43,116
Net cash provided by operating activities	<u>454,368</u>	<u>486,342</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	146	-
Cash paid to other funds	-	(10,886)
Transfers from other funds	-	302,013
Transfers to other funds	(68,777)	(78,310)
Net cash provided (used) by noncapital financing activities	<u>(68,631)</u>	<u>212,817</u>
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds payable	(138,203)	(131,343)
Interest and fiscal charges paid on debt	(137,615)	(142,787)
Proceeds from meter deposits	7,237	4,423
Proceeds from federal grants	239,500	239,115
Acquisition of property, plant and equipment	(450,316)	(337,133)
Net cash used by capital and related financing activities	<u>(479,397)</u>	<u>(367,725)</u>
Cash flows from investing activities:		
Interest on investments	<u>12,051</u>	<u>16,840</u>
Net increase in cash and cash equivalents	(81,609)	348,274
Cash and cash equivalents, beginning of period	<u>1,493,850</u>	<u>1,145,576</u>
Cash and cash equivalents, end of period	<u>\$1,412,241</u>	<u>\$1,493,850</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA

Comparative Statement of Cash Flows (Continued)  
 Proprietary Fund Type  
 Years Ended September 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Reconciliation of operating income to net cash used by operating activities:		
Operating income	\$ 191,399	\$ 244,766
Adjustments to reconcile operating income to net cash used by operating activities:		
Depreciation	233,068	227,487
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	(5,025)	4,765
Increase (decrease) in provision for uncollectible accounts	1,968	(1,311)
(Increase) decrease in inventory	(42)	1,134
Decrease in unbilled services receivable	696	426
Decrease in accrued interest receivable	1,275	1,360
Increase in prepaid item	(1,237)	-
Increase in accounts payable	31,876	9,767
Decrease in accrued interest payable	(708)	(674)
Increase (decrease) in other payables	<u>1,098</u>	<u>(1,378)</u>
Total adjustments	<u>262,969</u>	<u>241,576</u>
Net cash provided by operating activities	<u>\$ 454,368</u>	<u>\$ 486,342</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash and interest-bearing deposits - unrestricted	\$ 213,359	\$ 247,217
Cash and interest-bearing deposits - restricted	<u>1,280,491</u>	<u>898,359</u>
Total cash and cash equivalents	<u>1,493,850</u>	<u>1,145,576</u>
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	203,755	213,359
Cash and interest-bearing deposits - restricted	<u>1,208,486</u>	<u>1,280,491</u>
Total cash and cash equivalents	<u>1,412,241</u>	<u>1,493,850</u>
Net increase	<u>\$ (81,609)</u>	<u>\$ 348,274</u>

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

TOWN OF CHURCH POINT, LOUISIANA

Comparative Statement of Fiduciary Assets and Liabilities  
Fiduciary Fund  
September 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
Cash	<u>\$ 51,758</u>	<u>\$ 60,853</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 44,428	\$ 42,359
Accrued liabilities	<u>7,330</u>	<u>18,494</u>
Total liabilities	<u>\$ 51,758</u>	<u>\$ 60,853</u>

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

## TOWN OF CHURCH POINT, LOUISIANA

### Notes to the Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Church Point (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before 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 subsequent subsections of this note.

##### A. Financial Reporting Entity

The Town of Church Point (Town) was incorporated June 1, 1899, under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

This report includes all funds that are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was 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, certain governmental organizations are not part of the Town and are thus excluded from the accompanying financial statements. These organizations are the Church Point Volunteer Fire Department and the Town of Church Point Housing Authority. The Town of Church Point Housing Authority was chartered by the Town and its Board of Directors is appointed by the Mayor and Board of Alderman. However, the Town's oversight responsibilities in the management of operations and financial accountability is remote.

##### 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 non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

## TOWN OF CHURCH POINT, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

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

#### Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. 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 Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

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

The major funds of the Town are described below:

#### Governmental Funds -

##### General Fund

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

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Special Revenue Funds

Sales Tax Fund –

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

Additionally, the Town reports the following fund types:

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.)

Proprietary Fund -

Enterprise fund

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 Town of Church Point's enterprise fund is the Utility Fund.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

## TOWN OF CHURCH POINT, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

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

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

#### Basis of Accounting

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

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

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



TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town.

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

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

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. Uncollectible amounts due for customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$16,752 and \$14,784 at September 30, 2004 and 2003, respectively. 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.

Inventories

Inventories in the proprietary fund are valued at cost, which approximates market using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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 Town 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 October 1, 2002, some 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:

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

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 and utility meter deposits payable.

## TOWN OF CHURCH POINT, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

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

Town employees are entitled to certain compensated absences based upon their length of service.

Vacation leave is earned at the rate of five days after one year of service, ten days after five years but less than ten years of service, and fifteen days after ten years of service. However, those employees with two years of service by February 2, 1999 were grandfathered in to receive ten days. Vacation leave earned does not accumulate from year to year.

Sick leave is earned at the rate of seven days for one to five years of employment and ten days for over five years of service. Employees are allowed to accumulate up to two years of leave. If the sick leave is not used within a two-year period, one year's leave is lost. Accumulated sick leave is not payable for employees who resign, retire, or are dismissed from employment.

#### 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.”

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

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 Town 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 13
Gas, water and sewer revenue	Debt service and utility operations

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

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

G. Budget and Budgetary Accounting

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

1. Prior to September 30, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

H. Capitalization of Interest Expense

It is the policy of the Town of Church Point to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. For the year ending September 30, 2004, total interest incurred was \$137,615 of which all was charged to operations. For the year ending September 30, 2003, total interest incurred was \$142,787 of which all was charged to operations.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

I. Use of Estimates

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

J. Report Classification

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

(2) Cash and Interest-Bearing Deposits

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

Demand deposits	\$ 323,653
Time deposits	<u>1,487,997</u>
Total	<u>\$ 1,811,650</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 September 30, 2004 were secured as follows:

Bank balances	<u>\$ 1,881,681</u>
Securities pledged (Category 3)	\$ 1,471,012
Federal deposit insurance	<u>410,669</u>
Total securities pledged and federal deposit insurance	<u>\$ 1,881,681</u>

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(3) Ad Valorem Taxes

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

For the year ended September 30, 2004, taxes of 10.03 mills were levied on property with assessed valuations totaling \$10,160,120 and were dedicated as follows:

General corporate purposes	7.02 mills
Fire protection	3.01 mills

Total taxes levied were \$101,537. There were no taxes receivable at September 30, 2004.

(4) Receivables

Receivables at September 30, 2004 of \$216,457 consist of the following:

	<u>General</u>	<u>Sales Tax</u>	<u>Capital Projects</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ -	\$ 89,935	\$ 89,935
Unbilled utility	-	-	-	23,916	23,916
Franchise tax	61,392	-	-	-	61,392
Grants	-	-	36,584	-	36,584
Other sources	2,622	-	-	-	2,622
Interest	<u>186</u>	<u>601</u>	<u>-</u>	<u>1,221</u>	<u>2,008</u>
Totals	<u>\$ 64,200</u>	<u>\$ 601</u>	<u>\$ 36,584</u>	<u>\$ 115,072</u>	<u>\$ 216,457</u>

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(5) Due from Other Governmental Units

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

General Fund:

Amount due from the State of Louisiana for reimbursement of grant revenues for expenditures incurred on the Le Vieux Presbytere renovation project during the year ending September 30, 2004	\$ 38,526
Amount due from the State of Louisiana for beer tax revenues earned during fiscal year ending September 30, 2004	3,974
Amount due from the State of Louisiana for video poker revenues earned during fiscal year ending September 30, 2004	<u>2,582</u>
	45,082

Sales Tax Fund:

Amount due from Acadia Parish School Board for incorporated sales taxes for the month of September, 2004.	<u>53,361</u>
Total due from other governmental units	<u>\$ 98,443</u>

(6) Restricted Assets - Proprietary Fund Type

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

Revenue bond sinking account	\$ 140,546
Revenue bond reserve account	539,346
Revenue contingency account	274,008
Capital improvements	169,908
Customers' deposits	<u>84,678</u>
Total restricted assets	<u>\$ 1,208,486</u>



TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(7) Capital Assets

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

	Balance 10/01/03	Additions	Deletions	Balance 09/30/04
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 175,727	\$ 3,500	\$ -	\$ 179,227
<b>Other capital assets:</b>				
Buildings	894,350	245,723	-	1,140,073
Infrastructure	919,411	3,500	-	922,911
Equipment, furniture and fixtures	149,421	60,498	(32,001)	177,918
Vehicles	484,680	3,500	-	488,180
Totals	<u>2,623,589</u>	<u>316,721</u>	<u>(32,001)</u>	<u>2,908,309</u>
Less accumulated depreciation				
Buildings	287,310	23,227	-	310,537
Infrastructure	219,372	25,775	-	245,147
Equipment, furniture and fixtures	102,108	12,151	(32,001)	82,258
Vehicles	294,950	22,111	-	317,061
Total accumulated depreciation	<u>903,740</u>	<u>83,264</u>	<u>(32,001)</u>	<u>955,003</u>
Governmental activities, capital assets, net	<u>\$ 1,719,849</u>	<u>\$ 233,457</u>	<u>\$ -</u>	<u>\$ 1,953,306</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land - water system	\$ 100,000	\$ -	\$ -	\$ 100,000
Land - sewer system	450	-	-	450
<b>Other capital assets:</b>				
Water system	4,237,823	369,105	-	4,606,928
Sewer system	4,695,555	32,446	-	4,728,001
Machinery and equipment	228,551	48,765	-	277,316
Totals	<u>9,262,379</u>	<u>450,316</u>	<u>-</u>	<u>9,712,695</u>
Less accumulated depreciation				
Water system	1,338,367	107,998	-	1,446,365
Sewer system	1,821,367	110,898	-	1,932,265
Machinery and equipment	195,564	14,172	-	209,736
Total accumulated depreciation	<u>3,355,298</u>	<u>233,068</u>	<u>-</u>	<u>3,588,366</u>
Business-type activities, capital assets, net	<u>\$ 5,907,081</u>	<u>\$ 217,248</u>	<u>\$ -</u>	<u>\$ 6,124,329</u>

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 21,797
Police	12,269
Fire	14,197
Streets	29,026
Community center	154
Culture and recreation	5,821
Total depreciation expense	<u>\$ 83,264</u>

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

Water	\$115,664
Sewer	117,404
Total depreciation expense	<u>\$233,068</u>

(8) Accounts and Other Payables

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 106,566	\$ 41,643	\$ 148,209
Other liabilities	6,305	6,360	12,665
Totals	<u>\$ 112,871</u>	<u>\$ 48,003</u>	<u>\$ 160,874</u>

(9) Changes in Long-Term Debt

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Bonds payable at 9-30-03	\$ 290,000	\$ 3,472,146	\$ 3,762,146
Bonds issued	-	-	-
Bonds retired	<u>(29,000)</u>	<u>(138,203)</u>	<u>(167,203)</u>
Bonds payable at 9-30-04	<u>\$ 261,000</u>	<u>\$ 3,333,943</u>	<u>\$ 3,594,943</u>

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

General Obligation Bonds:

\$300,000 Certificates of Indebtedness, series 2003, due in annual installments of \$10,000 to \$37,000 through August 1, 2012; interest at 4.0% (to be retired by excess revenues)	<u>\$ 261,000</u>
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Revenue Bonds:

\$1,528,000 of Utility Revenue Bonds dated June 3, 1993; payable in monthly installments of principal and interest of \$8,328 through June 3, 2023; interest at 5% (to be retired by excess sewer utility revenues)	\$1,213,943
---	-------------

\$2,500,000 of Utility Revenue Bonds dated August 1, 1999; due in annual installments of \$90,000 to \$180,000; from August 1, 2001 through August 1, 2019; interest at 3.45% (to be retired by excess water utility revenues)	<u>2,120,000</u>
--	------------------

Total revenue bonds payable	3,333,943
-----------------------------	-----------

Less: Current portion	<u>(145,149)</u>
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Long-term revenue bonds payable	<u>\$3,188,794</u>
---------------------------------	--------------------

The bonds are due as follows:

<u>Year ending September 30,</u>	Governmental Activities		Business-type Activities	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2005	\$ 30,000	\$ 9,240	\$ 145,149	\$ 143,527
2006	31,000	8,440	152,203	137,326
2007	32,000	7,600	159,362	130,821
2008	31,000	6,720	166,632	124,009
2009	32,000	5,480	174,018	108,534
2010-2014	105,000	8,560	985,372	434,247
2015-2019	-	-	1,211,235	223,491
2020-2023	-	-	<u>339,972</u>	<u>33,463</u>
	<u>\$ 261,000</u>	<u>\$ 46,040</u>	<u>\$ 3,333,943</u>	<u>\$ 1,335,418</u>

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(10) Flow of Funds; Restrictions on Use - Utilities Revenues

Revenue Bonds:

- A. Under the terms of the bond indentures on outstanding Sewer Utility Revenue Bonds dated June 3, 1993, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Sewerage System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12<sup>th</sup> of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a "Bond Reserve Fund" an amount equal to 5% of the amount required to be paid into the Sinking Fund during the current fiscal year until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a "Contingency Fund" at the rate of \$378 each month. Money in this fund may be used to care for depreciation, extensions, improvements, and replacements to the system, which are necessary to keep the system in operating condition. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

- B. Under the terms of the bond indentures on outstanding Water Utilities Revenue Bonds, Series 1999, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Waterworks System, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount equal to 1/12<sup>th</sup> of the next maturing principal, interest, and administrative fee. Such transfers shall be fully sufficient to assure the prompt payment of principal interest, and administrative fee installments as they become due and may be used only for such payments.

There shall also be set aside into a "Bond Reserve Fund" an amount equal to 25% of the amount required to be paid into the sinking fund for such month until there shall have been accumulated an amount equal to the maximum principal and interest requirements in any one maturity year. The money in the "Bond Reserve Fund" may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

There shall also be set aside into a "Contingency Fund" the sum equal to 5% of net revenues for the preceding month. Money in this fund may be used to care for depreciation, extensions, additions, improvements, renewals and replacements necessary to properly operate the water system. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

- C. The Town of Church Point was in compliance with all significant limitations and restrictions in the bond indentures at September 30, 2004.

(11) Retirement Commitment

All employees of the Town of Church Point are members of the Federal Social Security system. The Town and its employees contribute a percentage of each employee's salary to the system (7.65% contributed by the Town; 7.65% by the employee). The Town's contribution during the year ended September 30, 2004 and 2003 amounted to \$60,678 and \$64,727 respectively.

(12) Deferred Compensation Plan

As of July 1, 2003, the Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan is administered by the Variable Annuity Life Insurance Company (VALIC). The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Town's contributions to the plan for the period ended September 30, 2004 was \$34,542.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in a trust, custodial account or annuity contract by the Town described in IRC 457(g) for the exclusive benefit of the participants and their beneficiaries.

(13) Dedication of Proceeds and Flow of Funds - 1% Sales and Use Tax Dated 1/10/67

Proceeds of a 1% sales and use tax approved January 10, 1967, (accounted for in the Sales Tax Fund - a special revenue fund) levied by the Town of Church Point (2004 collections \$427,657; 2003 collections \$431,824) are dedicated to the following purposes:

Constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, sidewalks and fire department stations and equipment, including fire engines and purchasing and acquiring equipment and furnishings for the aforesaid public works, improvements and facilities, title to which shall be in the public name.

TOWN OF CHURCH POINT, LOUISIANA  
Notes to the Basic Financial Statements (Continued)

(14) Segment Information for the Enterprise Fund

The Town of Church Point maintains one enterprise fund with two departments, which provide water and sewerage services. Segment information for the year ended September 30, 2004 was as follows:

	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Total Enterprise Fund</u>
Charges for services and other revenues	<u>\$ 544,197</u>	<u>\$ 367,587</u>	<u>\$ 911,784</u>
Operating expenses -			
Depreciation	115,664	117,404	233,068
Other expenses	<u>265,260</u>	<u>222,057</u>	<u>487,317</u>
Total operating expenses	<u>380,924</u>	<u>339,461</u>	<u>720,385</u>
Operating income	<u>\$ 163,273</u>	<u>\$ 28,126</u>	<u>\$ 191,399</u>

(15) Compensation of Town Officials

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

Roger Boudreaux, Mayor	\$28,000
Aldermen:	
Theresa Cary	3,540
Errol Comeaux	3,540
Gary Duplechin	3,390
Melchisadeck Green	3,540
Alexis Jagneaux	<u>3,540</u>
	<u>\$45,550</u>

The mayor receives \$2,333 per month plus the payment of his health insurance. Effective December 2002, aldermen receive \$258 per month plus \$150 for each special meeting called.

(16) Risk Management

The Town 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. Prior to August 22, 1998, the Town did not carry general liability insurance.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(17) Litigation and Claims

As mentioned in Note 17, the Town did not carry general liability insurance coverage prior to August 22, 1998. At September 30, 2004, the Town is a defendant in three lawsuits principally arising from the normal course of operations. The Town's legal counsel has reviewed the claims filed and has determined that the Town's liability is considered immaterial at September 30, 2004. As of September 30, 2004, no liability has been provided for suits filed or unasserted claims which may be filed.

(18) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at September 30, 2004:

	Interfund Receivables	Interfund Payables
Major Funds:		
Governmental Funds:		
General Fund	\$ 2,755	\$ 28,033
Sales Tax Fund	18,645	-
Proprietary Fund:		
Utility Fund	9,523	2,901
Non-major Funds	11	-
Total	\$ 30,934	\$ 30,934

Transfers are recorded in the year in which they were budgeted. However, the amounts are not always paid in that same year; therefore, causing balances as noted above. These balances are expected to be paid within the next fiscal year.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

B. *Interfund transfers*

Interfund transfers consisted of the following at September 30, 2004:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Governmental Funds:		
<i>General Fund</i>	\$ 83,000	\$ 38,000
1968 Sales Tax Special Revenue Fund	5,777	24,214
Nonmajor Governmental Funds:		
Debt service funds-		
Special Assessment S-166	4,214	-
Certificates of Indebtedness 1997 & 2003 Fund	38,000	-
Proprietary Fund:		
Utility Fund	<u>-</u>	<u>68,777</u>
 Total	 <u>\$ 130,991</u>	 <u>\$ 130,991</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.



**REQUIRED SUPPLEMENTARY  
INFORMATION**

TOWN OF CHURCH POINT, LOUISIANA  
General Fund

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

	2004			Variance Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes -					
Ad valorem	\$ 101,500	\$ 101,500	\$ 101,537	\$ 37	\$ 101,013
Franchise	235,000	252,950	250,823	(2,127)	293,768
Licenses and permits -					
Occupational licenses	170,000	164,000	164,084	84	170,115
Permits	800	750	1,119	369	1,025
Intergovernmental revenues -					
Housing Authority payment in lieu of taxes	9,800	10,900	10,956	56	10,570
Beer taxes	15,000	18,600	14,865	(3,735)	20,967
Video poker commissions	42,000	37,000	37,649	649	42,932
State grants	-	201,036	200,458	(578)	900
Charges for services -					
Utility collection	18,200	12,600	12,902	302	18,507
Continuing education fund	4,200	4,200	4,670	470	4,310
Fines and forfeits	168,000	150,500	140,899	(9,601)	145,018
Miscellaneous-					
Rent income	250	29,840	30,475	635	26,530
Recycling income	4,500	5,525	4,972	(553)	-
Interest income	2,000	615	777	162	1,914
Gain on sale of assets	-	4,160	4,160	-	-
Other revenues	8,550	6,225	9,427	3,202	9,188
Total revenues	<u>779,800</u>	<u>1,000,401</u>	<u>989,773</u>	<u>(10,628)</u>	<u>846,757</u>
<b>Expenditures:</b>					
Current -					
General government	250,215	263,835	255,627	(8,208)	259,905
Public safety:					
Police	543,950	585,155	582,098	(3,057)	575,099
Fire	28,920	17,475	20,146	2,671	20,173
Community center	-	11,510	12,049	539	-
Culture and recreation	20,200	17,950	17,380	(570)	16,015
Capital outlay	18,000	270,140	259,309	(10,831)	21,105
Total expenditures	<u>861,285</u>	<u>1,166,065</u>	<u>1,146,609</u>	<u>(19,456)</u>	<u>892,297</u>
Deficiency of revenues over expenditures	<u>(81,485)</u>	<u>(165,664)</u>	<u>(156,836)</u>	<u>8,828</u>	<u>(45,540)</u>
<b>Other financing sources (uses):</b>					
Proceeds from issuance of debt	-	-	-	-	300,000
Transfers in	137,000	78,000	83,000	5,000	156,500
Transfers out	(47,000)	(38,000)	(38,000)	-	(320,000)
Total other financing sources (uses)	<u>90,000</u>	<u>40,000</u>	<u>45,000</u>	<u>5,000</u>	<u>136,500</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	8,515	(125,664)	(111,836)	13,828	90,960
Fund balance, beginning	200,634	200,634	200,634	-	109,674
Fund balance, ending	<u>\$ 209,149</u>	<u>\$ 74,970</u>	<u>\$ 88,798</u>	<u>\$ 13,828</u>	<u>\$ 200,634</u>

TOWN OF CHURCH POINT, LOUISIANA  
Sales Tax Fund

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

	2004				
	Budget		Actual	Variance	2003 Actual
	Original	Final		Positive (Negative)	
<b>Revenues:</b>					
Taxes - sales taxes	\$425,000	\$410,500	\$427,657	\$17,157	\$431,824
<b>Grants:</b>					
Federal	-	62,144	35,629	(26,515)	161,653
State	-	7,381	4,531	(2,850)	21,554
Interest	5,000	1,500	2,897	1,397	2,271
Miscellaneous	7,200	6,800	5,861	(939)	20,207
Total revenues	<u>437,200</u>	<u>488,325</u>	<u>476,575</u>	<u>(11,750)</u>	<u>637,509</u>
<b>Expenditures:</b>					
<b>Current-</b>					
<b>General government :</b>					
Salaries	47,600	47,600	47,052	548	65,551
Payroll taxes	5,000	3,800	3,660	140	5,114
Group insurance	6,950	7,500	6,378	1,122	6,121
Pension	2,960	2,950	2,941	9	3,178
Insurance	4,000	-	-	-	2,406
Workers compensation	4,200	3,400	3,309	91	3,437
Legal and professional	-	3,100	3,600	(500)	-
Repairs and maintenance	-	-	-	-	100
Collection expense	7,000	7,000	6,415	585	6,484
Professional fees	4,000	-	-	-	3,955
Miscellaneous expense	50	50	-	50	-
Total general government	<u>81,760</u>	<u>75,400</u>	<u>73,355</u>	<u>2,045</u>	<u>96,346</u>
<b>Public works:</b>					
Salaries	131,110	155,770	154,649	1,121	125,704
Payroll taxes	10,300	12,190	11,816	374	9,900
Group insurance	22,000	24,275	22,952	1,323	10,539
Pension	6,500	7,275	5,343	1,932	6,130
Workers compensation	10,000	9,800	9,226	574	8,140
Legal and professional	-	1,400	1,353	47	-
Gravel, shell and supplies	18,000	28,000	26,380	1,620	16,074
Repairs and maintenance	22,000	17,850	15,029	2,821	19,880
Transportation	12,000	10,600	11,655	(1,055)	13,176
Telephone and utilities	6,200	4,800	4,623	177	4,738
Insurance	9,500	7,700	8,592	(892)	14,244
Miscellaneous	300	350	340	10	2,315
Street lighting	34,000	40,000	40,013	(13)	39,022
Total public works	<u>281,910</u>	<u>320,010</u>	<u>311,971</u>	<u>8,039</u>	<u>269,862</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA  
Sales Tax Fund

Budgetary Comparison Schedule (Continued)  
Year Ended September 30, 2004  
With Comparative Actual Amounts for the Year Ended September 30, 2003

	2004			Variance Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
Public works - FEMA:					
Hurricane Lili expenses	45,000	45,000	47,248	(2,248)	210,565
Capital outlay	-	55,000	57,412	(2,412)	1,719
Total expenditures	408,670	495,410	489,986	5,424	578,492
Excess (deficiency) of revenues over expenditures	28,530	(7,085)	(13,411)	(6,326)	59,017
Other financing sources (uses):					
Transfers in	-	-	5,777	5,777	21,000
Transfers out	(20,000)	(24,214)	(24,214)	-	(103,409)
Total other financing sources (uses)	(20,000)	(24,214)	(18,437)	5,777	(82,409)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	8,530	(31,299)	(31,848)	(549)	(23,392)
Fund balance, beginning	344,772	344,772	344,772	-	368,164
Fund balance, ending	\$ 353,302	\$313,473	\$ 312,924	\$ (549)	\$344,772

**OTHER SUPPLEMENTARY INFORMATION**

TOWN OF CHURCH POINT, LOUISIANA  
General Fund

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

	2004				2003 Actual
	Budget		Actual	Variance	
	Original	Final		Favorable (Unfavorable)	
<b>General government:</b>					
Salaries	\$ 108,000	\$ 108,600	\$106,638	\$ 1,962	\$113,244
Court salaries	22,400	23,050	23,374	(324)	24,051
Payroll taxes	13,500	12,175	11,934	241	13,564
Group insurance	16,500	17,000	15,829	1,171	13,576
Pension	5,040	5,500	5,448	52	4,873
General insurance	14,100	13,500	13,309	191	17,594
Legal and professional	12,500	14,500	16,004	(1,504)	8,058
Office expense and supplies	13,500	16,325	14,862	1,463	20,940
Advertising and promotion	6,000	6,500	6,457	43	6,479
Conventions and seminars	3,000	2,400	2,377	23	5,562
Repairs and maintenance	1,000	800	818	(18)	65
Dues	1,100	2,900	2,840	60	1,309
Utilities and telephone	12,750	15,200	15,972	(772)	10,696
Preparation of tax rolls	2,600	2,650	2,633	17	5,173
Miscellaneous	6,225	5,700	3,500	2,200	7,300
Auto allowance	6,500	7,200	6,498	702	7,334
Presbytere expense	1,500	2,700	-	2,700	87
Economic development	4,000	7,135	7,134	1	-
Total general government	<u>250,215</u>	<u>263,835</u>	<u>255,627</u>	<u>8,208</u>	<u>259,905</u>
<b>Public safety:</b>					
<b>Police department -</b>					
Salaries	309,000	329,200	327,937	1,263	337,833
Payroll taxes	22,000	25,725	25,631	94	26,206
Group insurance	45,000	47,800	47,614	186	39,185
Police pension	18,000	17,000	15,557	1,443	12,177
Transportation	40,000	40,000	40,645	(645)	43,296
Supplies	8,000	8,305	8,240	65	11,454
Telephone and utilities	15,700	14,000	13,862	138	15,503
Legal and professional	-	20,000	19,075	925	874
Insurance	50,000	46,500	46,074	426	52,205
Repairs and maintenance	2,500	1,600	1,844	(244)	1,239
Conventions and seminars	400	6,280	7,328	(1,048)	-
Meals for prisoners	3,750	3,400	4,425	(1,025)	3,390
Uniforms	5,000	5,000	5,143	(143)	3,795
Court fees--crime lab, com. on law enforce., CMIS, etc.	13,290	15,035	14,460	575	11,307
Miscellaneous	11,310	5,310	4,263	1,047	16,635
Total police department	<u>543,950</u>	<u>585,155</u>	<u>582,098</u>	<u>3,057</u>	<u>575,099</u>
<b>Fire department -</b>					
Supplies and repairs	9,200	300	3,344	(3,044)	2,603
Transportation	3,600	3,500	3,302	198	2,520
Equipment rental	120	-	-	-	-
Telephone and utilities	4,800	3,675	3,819	(144)	3,897
Insurance	11,000	10,000	9,681	319	11,153
Miscellaneous	200	-	-	-	-
Total fire department	<u>28,920</u>	<u>17,475</u>	<u>20,146</u>	<u>(2,671)</u>	<u>20,173</u>
Total public safety	<u>572,870</u>	<u>602,630</u>	<u>602,244</u>	<u>386</u>	<u>595,272</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
Year Ended September 30, 2004  
With Comparative Actual Amounts for the Year Ended September 30, 2003

	2004				2003 Actual
	Budget		Actual	Variance Favorable (Unfavorable)	
	Original	Final			
<b>Community center:</b>					
Office expense and supplies	-	6,610	7,213	(603)	-
Repairs and maintenance	-	-	450	(450)	-
Telephone and utilities	-	4,900	4,106	794	-
Miscellaneous	-	-	280	(280)	-
Total community center	<u>-</u>	<u>11,510</u>	<u>12,049</u>	<u>(539)</u>	<u>-</u>
<b>Culture and recreation:</b>					
Supplies	5,000	5,200	5,146	54	3,045
Repairs and maintenance	3,600	3,725	3,459	266	586
Telephone and utilities	6,000	5,000	4,759	241	4,726
Insurance	1,600	1,500	1,435	65	678
Promotional	3,000	1,200	1,188	12	4,399
Miscellaneous	1,000	1,325	1,393	(68)	2,581
Total culture and recreation	<u>20,200</u>	<u>17,950</u>	<u>17,380</u>	<u>570</u>	<u>16,015</u>
<b>Capital outlay:</b>					
<b>General government-</b>					
Equipment	-	1,165	1,163	2	-
Improvements	-	30,000	19,435	10,565	-
Land	-	3,500	3,500	-	-
<b>Public safety-</b>					
Vehicles	18,000	1,800	1,000	800	18,080
Improvements	-	11,300	11,291	9	3,025
Equipment-fire	-	4,525	6,074	(1,549)	-
<b>Community center</b>					
Equipment	-	1,850	1,849	1	-
<b>Culture and recreation -</b>					
Le Vieux Presbytere	-	216,000	214,997	1,003	-
Total capital outlay	<u>18,000</u>	<u>270,140</u>	<u>259,309</u>	<u>10,831</u>	<u>21,105</u>
Total expenditures	<u>\$ 861,285</u>	<u>\$ 1,166,065</u>	<u>1,146,609</u>	<u>\$ 19,456</u>	<u>\$ 892,297</u>

TOWN OF CHURCH POINT, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet  
September 30, 2004  
With Comparative Totals for September 30, 2003

	Debt Service	Capital Projects	Totals	
			2004	2003
<b>ASSETS</b>				
Cash	\$ 4,992	\$ 9,589	\$ 14,581	\$ 9,848
Grant receivable	-	36,584	36,584	-
Due from other funds	-	11	11	1,465
Total assets	\$ 4,992	\$ 46,184	\$ 51,176	\$ 11,313
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 46,184	\$ 46,184	\$ -
Due to other funds	-	-	-	9,666
Total liabilities	-	46,184	46,184	9,666
<b>Fund balances (deficit):</b>				
Reserved for debt retirement	4,992	-	4,992	5,891
Unreserved, undesignated	-	-	-	(4,244)
Total fund balances	4,992	-	4,992	1,647
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,992</b>	<b>\$ 46,184</b>	<b>\$ 51,176</b>	<b>\$ 11,313</b>



TOWN OF CHURCH POINT, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended September 30, 2004  
With Comparative Totals for the Year Ended September 30, 2003

	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
<b>Revenues:</b>				
Grant - LCDBG	\$ -	\$239,500	\$ 239,500	\$ -
Interest	<u>131</u>	<u>-</u>	<u>131</u>	<u>160</u>
<b>Total revenues</b>	<u>131</u>	<u>239,500</u>	<u>239,631</u>	<u>160</u>
<b>Expenditures:</b>				
Capital outlay	<u>-</u>	<u>266,000</u>	<u>266,000</u>	<u>-</u>
Debt service -				
Principal retirement	29,000	-	29,000	43,000
Interest and fiscal charges	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>7,286</u>
<b>Total debt service</b>	<u>39,000</u>	<u>-</u>	<u>39,000</u>	<u>50,286</u>
<b>Total expenditures</b>	<u>39,000</u>	<u>266,000</u>	<u>305,000</u>	<u>50,286</u>
Deficiency of revenues over expenditures	<u>(38,869)</u>	<u>(26,500)</u>	<u>(65,369)</u>	<u>(50,126)</u>
<b>Other financing sources (uses):</b>				
Transfers in	42,214	26,500	68,714	39,562
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,356)</u>
<b>Total financing sources (uses)</b>	<u>42,214</u>	<u>26,500</u>	<u>68,714</u>	<u>22,206</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	3,345	-	3,345	(27,920)
Fund balances, beginning	<u>1,647</u>	<u>-</u>	<u>1,647</u>	<u>29,567</u>
Fund balances, ending	<u>\$ 4,992</u>	<u>\$ -</u>	<u>\$ 4,992</u>	<u>\$ 1,647</u>

**NONMAJOR DEBT SERVICE FUNDS**

To accumulate monies for payment of the various bond issues of the Town.

TOWN OF CHURCH POINT, LOUISIANA  
Nonmajor Debt Service Funds

Combining Balance Sheet  
September 30, 2004  
With Comparative Totals for September 30, 2003

	<u>Special Assessment S-166</u>	<u>Certificate of Indebtedness 1997 &amp; 2003</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
<b>ASSETS</b>				
Cash	\$ -	\$ 4,992	\$ 4,992	\$ 9,848
Receivables:				
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,465</u>
Total assets	<u>\$ -</u>	<u>\$ 4,992</u>	<u>\$ 4,992</u>	<u>\$ 11,313</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,666</u>
Fund balances (deficit):				
Reserved for debt service	-	4,992	4,992	5,891
Unreserved, undesignated	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,244)</u>
Total fund balances (deficit)	<u>-</u>	<u>4,992</u>	<u>4,992</u>	<u>1,647</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 4,992</u>	<u>\$ 4,992</u>	<u>\$ 11,313</u>

TOWN OF CHURCH POINT, LOUISIANA  
Nonmajor Debt Service Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended September 30, 2004  
With Comparative Totals for the Year Ended September 30, 2003

	<u>Special Assessment S-166</u>	<u>Certificate of Indebtedness 1997 &amp; 2003</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
Revenues:				
Interest	\$ 30	\$ 101	\$ 131	\$ 160
Expenditures:				
Debt service -				
Principal retirement		29,000	29,000	43,000
Interest and fiscal charges	-	10,000	10,000	7,286
Total expenditures	<u>-</u>	<u>39,000</u>	<u>39,000</u>	<u>50,286</u>
Excess (deficiency) of revenues over expenditures	<u>30</u>	<u>(38,899)</u>	<u>(38,869)</u>	<u>(50,126)</u>
Other financing sources (uses):				
Transfers in	4,214	38,000	42,214	39,262
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,344)</u>
Total other financing sources (uses)	<u>4,214</u>	<u>38,000</u>	<u>42,214</u>	<u>23,918</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,244	(899)	3,345	(26,208)
Fund balances (deficit), beginning	<u>(4,244)</u>	<u>5,891</u>	<u>1,647</u>	<u>27,855</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 4,992</u>	<u>\$ 4,992</u>	<u>\$ 1,647</u>

## **NONMAJOR CAPITAL PROJECTS FUND**

### **WATER AND SEWER IMPROVEMENT**

To account for the FY 2003 Louisiana Community Development Block Grant (LCDBG) program consisting of the water improvements project on Martin Luther King Drive and Arthur Daigle Loop in the Town of Church Point. Financing is being provided by \$239,500 of LCDBG funds. Funds for construction payments are drawn-down as expenditures are incurred. The project was completed during the fiscal year ended September 30, 2004.

TOWN OF CHURCH POINT, LOUISIANA  
 Nonmajor Capital Projects Fund  
 Water and Sewer Improvements Capital Projects Fund

Comparative Balance Sheet  
 September 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
Cash	\$ 9,589	\$ -
Grant receivable	36,584	-
Due from other funds	<u>11</u>	<u>-</u>
 Total assets	 <u>\$ 46,184</u>	 <u>\$ -</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
 Liabilities	 \$ 46,184	 \$ -
Fund balance - Unreserved, undesignated	 <u>-</u>	 <u>-</u>
 Total liabilities and fund balance	 <u>\$ 46,184</u>	 <u>\$ -</u>

TOWN OF CHURCH POINT, LOUISIANA  
 Nonmajor Capital Projects Fund  
 Water and Sewer Improvements Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Year Ended September 30, 2004  
 With Comparative Totals for the Year Ended September 30, 2003

	2004	2003
Revenues:		
Grant-LCDBG	\$ 239,500	\$ -
Expenditures:		
Capital outlay	266,000	-
Deficiency of revenues over expenditures	(26,500)	-
Other financing sources (uses):		
Transfers in	26,500	300
Transfers out	-	(2,012)
Total other financing sources (uses)	26,500	(1,712)
Deficiency of revenues and other financing sources over expenditures and other financing uses	-	(1,712)
Fund balance, beginning	-	1,712
Fund balance, ending	\$ -	\$ -

TOWN OF CHURCH POINT, LOUISIANA  
Nonmajor Capital Projects Fund  
Water and Sewer Improvement Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
Year Ended September 30, 2004  
With Comparative Actual Amounts for the Year Ended September 30, 2003

	2004		Variance Favorable (Unfavorable)	2003 Actual
	Budget	Actual		
Revenues:				
Grant - LCDBG	\$ 240,361	\$ 239,500	\$ (861)	\$ -
Expenditures:				
Capital outlay	<u>266,761</u>	<u>266,000</u>	<u>761</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(26,400)</u>	<u>(26,500)</u>	<u>(100)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	26,400	26,500	100	300
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,012)</u>
Total other financing sources (uses)	<u>26,400</u>	<u>26,500</u>	<u>100</u>	<u>(1,712)</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	-	-	-	(1,712)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,712</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



TOWN OF CHURCH POINT, LOUISIANA  
 Enterprise Fund  
 Utility Fund

Schedule of Changes in Assets  
 Restricted for Revenue Bond Debt Service  
 Year Ended September 30, 2004

	Bond Sinking Fund	Reserve	Contingency	Revenue Bond Construction Fund	Totals
Cash and interest-bearing deposits, October 1, 2003	\$ 90,900	\$ 484,104	\$ 243,858	\$ 384,188	\$ 1,203,050
Cash receipts:					
Transfer from operating account	336,608	53,004	28,536	9,473	427,621
Interest on interest-bearing deposits	664	2,238	1,614	962	5,478
Total cash receipts	<u>337,272</u>	<u>55,242</u>	<u>30,150</u>	<u>10,435</u>	<u>433,099</u>
Total cash and interest-bearing deposits available	<u>428,172</u>	<u>539,346</u>	<u>274,008</u>	<u>394,623</u>	<u>1,636,149</u>
Cash disbursements:					
Principal payments	138,203	-	-	-	138,203
Interest payments	149,423	-	-	-	149,423
Improvements and repairs	-	-	-	224,715	224,715
Total disbursements	<u>287,626</u>	<u>-</u>	<u>-</u>	<u>224,715</u>	<u>512,341</u>
Cash and interest-bearing deposits, September 30, 2004	<u>\$ 140,546</u>	<u>\$ 539,346</u>	<u>\$ 274,008</u>	<u>\$ 169,908</u>	<u>\$ 1,123,808</u>

TOWN OF CHURCH POINT, LOUISIANA

Summary of Ad Valorem Tax Assessments and Levies  
 Years Ended September 30, 2004 and 2003

	<u>General Fund</u>	
	<u>2004</u>	<u>2003</u>
Total assessed valuation - tax roll -		
Original tax roll	\$ 10,160,120	\$ 10,070,020
Reductions to tax roll	-	-
Net tax roll	<u>\$ 10,160,120</u>	<u>\$ 10,070,020</u>
Taxes levied -	10.03 Mills	10.03 Mills
Total taxes - tax roll	<u>\$ 101,538</u>	<u>\$ 101,013</u>

TOWN OF CHURCH POINT, LOUISIANA  
Enterprise Fund  
Utility Fund

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

	Totals		Water		Sewer	
	2004	2003	2004	2003	2004	2003
<b>Operating revenue:</b>						
Charges for services	\$ 867,485	\$891,960	\$514,344	\$524,596	\$353,141	\$367,364
Other	44,299	43,116	29,853	29,168	14,446	13,948
Total operating revenues	<u>911,784</u>	<u>935,076</u>	<u>544,197</u>	<u>553,764</u>	<u>367,587</u>	<u>381,312</u>
<b>Operating expenses:</b>						
Salaries	95,385	131,221	42,282	71,658	53,103	59,563
Payroll taxes	7,256	9,945	3,689	5,281	3,567	4,664
Group insurance	23,670	17,051	12,420	6,374	11,250	10,677
Pension	5,253	8,308	2,248	4,656	3,005	3,652
Utilities and telephone	82,645	80,667	38,134	36,454	44,511	44,213
Repairs and maintenance	84,259	31,648	32,184	3,931	52,075	27,717
Auto expense	13,066	2,078	5,905	1,082	7,161	996
Legal and professional	21,333	27,088	8,064	22,638	13,269	4,450
Insurance	35,105	48,632	18,277	27,460	16,828	21,172
Operating supplies	29,942	27,280	25,979	21,035	3,963	6,245
Office supplies and expense	14,136	9,204	13,096	8,126	1,040	1,078
Dump and disposal charges	4,630	7,870	-	1,410	4,630	6,460
Sewer Inspection and testing	7,067	5,395	-	365	7,067	5,030
Chemicals	48,365	41,123	48,365	41,123	-	-
Bad debt expense	1,968	-	1,968	-	-	-
Depreciation	233,068	227,487	115,664	106,000	117,404	121,487
Administrative fees	11,100	11,575	11,100	11,575	-	-
Other	2,137	3,738	1,549	275	588	3,463
Total operating expenses	<u>720,385</u>	<u>690,310</u>	<u>380,924</u>	<u>369,443</u>	<u>339,461</u>	<u>320,867</u>
Operating income	<u>191,399</u>	<u>244,766</u>	<u>163,273</u>	<u>184,321</u>	<u>28,126</u>	<u>60,445</u>
<b>Non-operating revenues (expenses):</b>						
Interest income	12,051	16,840	6,832	9,092	5,219	7,748
Interest expense	(137,615)	(142,787)	(76,023)	(79,329)	(61,592)	(63,458)
Loss on disposal of assets	-	(372)	-	-	-	(372)
Total non-operating revenues (expenses)	<u>(125,564)</u>	<u>(126,319)</u>	<u>(69,191)</u>	<u>(70,237)</u>	<u>(56,373)</u>	<u>(56,082)</u>
Income (loss) before contributions and transfers	<u>65,835</u>	<u>118,447</u>	<u>94,082</u>	<u>114,084</u>	<u>(28,247)</u>	<u>4,363</u>
Capital contributions	<u>239,500</u>	<u>239,115</u>	<u>239,500</u>	<u>194,631</u>	<u>-</u>	<u>44,484</u>
<b>Transfers in (out):</b>						
Transfers in	-	302,013	-	202,013	-	100,000
Transfers out	(68,777)	(78,310)	(43,777)	(68,310)	(25,000)	(10,000)
Total transfers in (out)	<u>(68,777)</u>	<u>223,703</u>	<u>(43,777)</u>	<u>133,703</u>	<u>(25,000)</u>	<u>90,000</u>
Change in net assets	<u>\$ 236,558</u>	<u>\$581,265</u>	<u>\$289,805</u>	<u>\$442,418</u>	<u>\$ (53,247)</u>	<u>\$138,847</u>

TOWN OF CHURCH POINT, LOUISIANA

Combined Schedule of Long-Term Debt  
September 30, 2004

	Issue Date	Final Maturity Date	Interest Rates	Payment Dates	Bonds		
					Issued	Retired	Outstanding
Public Improvement Bonds - Certificate of Indebtedness 2003	05/01/03	02/01/08	4.00%	1-Aug	300,000	39,000	261,000
Total Public Improvement Bonds					<u>\$ 300,000</u>	<u>\$ 39,000</u>	<u>\$ 261,000</u>
Utility Revenue Bonds - Utility Revenue Bonds, Series 1994 - Sewer Utility Revenue Bonds, Series 1999 - Water	06/03/93 08/01/99	06/03/23 08/01/19	5.00% 3.45%	3rd day of each month 2/1; 8/1	\$ 1,528,000 2,500,000	\$ 314,057 380,000	\$ 1,213,943 2,120,000
Total Utility Revenue Bonds					<u>\$ 4,028,000</u>	<u>\$ 694,057</u>	<u>\$ 3,333,943</u>

TOWN OF CHURCH POINT, LOUISIANA

Combined Schedule of Certificates of Deposit - All Funds  
September 30, 2004

	Financial Institution	Interest Rate	Maturity Date	Amount
<b>General Fund:</b>				
Certificate of deposit	Rayne State Bank	3.25%	Annual renewal	\$ 10,000
<b>Sales Tax Fund:</b>				
Certificate of deposit	Church Point Bank	1.10%	6 Month renewal	135,814
Certificate of deposit	Church Point Bank	1.10%	6 Month renewal	101,224
				<u>237,038</u>
<b>Utility Fund:</b>				
Water -				
Certificate of deposit	Farmers State Bank	1.00%	6 Month renewal	661
Certificate of deposit	Church Point Bank	1.10%	6 Month renewal	343
Certificate of deposit	Church Point Bank	1.10%	6 Month renewal	186,426
Capital additions and contingency -				
Certificate of deposit	Farmers State Bank	1.00%	6 Month renewal	6,004
Customers' deposits -				
Certificate of deposit	Farmers State Bank	1.00%	6 Month renewal	66,126
Revenue bond reserve -				
Certificate of deposit	Farmers State Bank	0.75%	Monthly renewal	260,677
Revenue bond contingency -				
Certificate of deposit	Farmers State Bank	0.75%	Monthly renewal	168,780
				<u>689,017</u>
Sewerage -				
Certificate of deposit	Farmers State Bank	1.00%	6 Month renewal	132,716
Certificate of deposit	Church Point Bank	1.10%	6 Month renewal	91,058
Capital Improvement Fund -				
Certificate of deposit	Church Point Bank	0.75%	Monthly renewal	26,548
Revenue bond reserve -				
Certificate of deposit	Farmers State Bank	0.75%	Monthly renewal	63,479
Revenue bond contingency -				
Certificate of deposit	Farmers State Bank	0.75%	Monthly renewal	59,012
Certificate of deposit	Farmers State Bank	0.75%	Monthly renewal	43,778
Revenue bond construction -				
Certificate of deposit	Church Point Bank	0.75%	Monthly renewal	135,351
				<u>551,942</u>
Total - all funds				<u>\$ 1,487,997</u>

TOWN OF CHURCH POINT, LOUISIANA

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

Insurer/Agent	Coverage Provided For	Risks Covered	Limits of Coverage (in dollars)	Expiration Date
CNA Surety / Aaron Beagh Insurance Agency	Public employees collecting money Town Clerk and tax collector Public Employees Position Bond	Blanket Bond	\$ 5,000 5,000 182,000	08/15/05 09/07/05 07/29/05
Risk Management Inc.	Municipal employees	Auto & General Liability Workers Compensation	500,000 500,000	05/01/05 09/01/05
EMC / Rod Prejean & Associates, Inc.	Town Hall, police station, water buildings, reservoirs and tower, fire station buildings, and sewer buildings	Blanket coverage - property damage 90% Co-insurance	5,300,000	06/20/05
VFIS, Inc./ Special Risk Insurance, Inc.	Automobiles	Auto liability	500,000 /each accident	05/01/05
Essex Insurance Co. / Rod Prejean & Associates, Inc.	Automobiles	Physical damage	120,185	05/01/05
VFIS, Inc./ Special Risk Insurance, Inc.	Fire Department	Automobiles and Equipment Uninsured Motorists	1,000,000 100,000	05/01/05

TOWN OF CHURCH POINT, LOUISIANA

Property Tax Levies and Collections for the Last Four Years

<u>Year</u>	<u>Assessed Valuation</u>	<u>Millage</u>	<u>Ad Valorem Tax Collections</u>
2000-01	9,675,660	10.03	97,045
2001-02	9,883,750	10.03	99,087
2002-03	10,070,020	10.03	101,013
2003-04	10,160,120	10.03	101,538

TOWN OF CHURCH POINT, LOUISIANA  
Schedule of Revenues and Expenditures for Last Four Fiscal Years

**General Revenues by Source\* for Last Four Fiscal Years**

	2004	2003	2002	2001
Taxes	\$ 780,017	\$ 826,605	\$ 762,472	\$ 748,353
Licenses and permits	165,203	171,140	180,619	159,386
Intergovernmental	543,588	258,576	126,120	70,082
Charges for services	12,902	18,507	19,842	18,656
Continuing Education Fund	4,670	4,310	-	-
Fines	140,899	145,018	149,689	187,527
Miscellaneous	15,288	29,395	51,799	27,806
Rent income	30,475	26,530	29,005	28,758
Recycling income	4,972	-	-	-
Interest	3,805	4,345	10,795	16,203
Oil lease	-	-	1,222	7,417
Gain on sale of assets	4,160	-	-	-
Totals	<u>\$ 1,705,979</u>	<u>\$ 1,484,426</u>	<u>\$ 1,331,563</u>	<u>\$ 1,264,188</u>

**General Governmental Expenditures by Function\* for Last Four Fiscal Years**

	2004	2003	2002	2001
General government	\$ 328,982	\$ 356,251	\$ 313,156	\$ 314,544
Public safety	602,244	595,272	631,671	603,576
Public works	371,268	480,427	286,719	213,500
Culture and recreation	17,380	16,015	12,945	21,826
Debt service	39,000	50,286	87,645	92,475
Capital outlay	582,721	22,824	37,499	36,619
Totals	<u>\$ 1,941,595</u>	<u>\$ 1,521,075</u>	<u>\$ 1,369,635</u>	<u>\$ 1,282,540</u>

**Gross Salaries by Function for Last Four Fiscal Years**

	2004	2003	2002	2001
General government	\$ 177,064	\$ 202,846	\$ 164,606	\$ 185,910
Public safety	327,937	337,833	315,302	338,644
Public works	154,649	125,704	114,644	90,790
Enterprise	95,385	131,221	142,449	139,847
Totals	<u>\$ 755,035</u>	<u>\$ 797,604</u>	<u>\$ 737,001</u>	<u>\$ 755,191</u>

(continued)

\*Includes General, Special Revenue, Debt Service and Capital Projects Funds (excludes utility capital outlay).



TOWN OF CHURCH POINT, LOUISIANA  
Schedule of Revenues and Expenditures for Last Four Fiscal Years (Continued)

**Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures for Last Four Fiscal Years**

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Principal	\$ 29,000	\$ 43,000	\$ 81,000	\$ 81,000
Interest	<u>10,000</u>	<u>7,286</u>	<u>6,645</u>	<u>11,475</u>
Total debt service	<u>39,000</u>	<u>50,286</u>	<u>87,645</u>	<u>92,475</u>
 Total general expenditures*	 <u>\$1,941,595</u>	 <u>\$1,521,075</u>	 <u>\$1,369,635</u>	 <u>\$1,282,540</u>
 Ratio of debt service to total general expenditures	 2.0%	 3.3%	 6.4%	 7.2%

\*Includes General, Special Revenue, Debt Service and Capital Projects Funds (excludes utility capital outlay).

**COMPLIANCE, INTERNAL CONTROL  
AND  
OTHER INFORMATION**

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\* A Professional Accounting Corporation

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

The Honorable Roger Boudreaux, Mayor  
and Members of the Board of Aldermen  
Town of Church Point, Louisiana

We have audited the financial statements of the Town of Church Point, Louisiana, as of and for the year ended September 30, 2004, and have issued our report thereon dated December 9, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Church Point, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards, which are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 04-2(C), 04-3(C) and 04-4(C).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Church Point, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we a matter involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 Town of Church Point, Louisiana'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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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. We believe the reportable condition identified as item 04-1 in the summary schedule of current and prior year audit findings and management's corrective action plan is a material weakness.

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report maybe limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Lafayette, Louisiana  
December 9, 2004

TOWN OF CHURCH POINT, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended September 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 (09/30/04) --</u>						
<u>Internal Control:</u>						
04-1(IC)	Unknown	Due to the small number of employees, the Town of Church Point did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the administrative office and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Amber Higginbotham, Town Clerk	N/A
<u>Compliance:</u>						
04-2 (C)	9/30/2004	Propane tanks owned by the Town were improperly disposed of, which is a violation of Louisiana (LA) Revised Statute (R.S). 33:4712.	Yes	Storage tanks were disposed of due to the possibility that they could have caused a liability to the Town. However, the proper procedure to dispose of the assets in accordance with LA R.S. 33:4712 was not followed. The Mayor, as well as the Clerk, were notified of the proper procedure to be taken when disposing of assets and this procedure will be followed in the future.	Roger Boudreaux, Mayor & Amber Higginbotham, Town Clerk	Immediately
04-3 (C)	9/30/2004	The Town Clerk was given a pay raise without proper implementation of procedures as required by LA R.S. 33:404.1.	Yes	The raise was subsequently approved by an ordinance adopted by the Town Council. All future pay increases for elected and appointed officials will be approved by an adopted ordinance.	Roger Boudreaux, Mayor	Completed

TOWN OF CHURCH POINT, LOUISIANA

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

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>CURRENT YEAR (09/30/04) --</u>						
<u>Compliance: (continued)</u> 04-4 (C)	9/30/2004	Article VII, Section 14 of the 1974 Louisiana Constitution and LA R.S. 14-138 were violated when the Mayor received an advance of his auto allowance, which is authorized to be paid by the Town on a monthly basis.	Yes	Based upon a discussion with management, it was felt that this act was not an advance since it was not considered by management to be a salary and due to the fact that the amount paid was within the annual budgeted amount for auto allowance. However, the Mayor, as well as the Town Clerk, were informed that this was included in the Mayor's salary and could only be paid on a month-by-month basis. The auto allowance payments to be made in the future will be paid monthly as they become due.	Roger Boudreaux, Mayor & Amber Higginbotham, Town Clerk	Immediately
<u>PRIOR YEAR (09/30/03) --</u>						
<u>Internal Control:</u> 03-1(IC)	Unknown	Due to the small number of employees, the Town of Church Point did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the administrative office and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Amber Higginbotham, Town Clerk	N/A