

POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY (PRIMARY GOVERNMENT)  
ANNUAL FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF DECEMBER 31, 2003 AND FOR THE YEAR ENDED

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: 11-24-04

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
(225) 638-9556**

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**MEETING DATES**

2nd and 4th Tuesday of Every Month  
5:00 PM - Police Jury Office

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*George F. Delaune*

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## INDEPENDENT AUDITOR'S REPORT

Members of the Police Jury  
Pointe Coupee Parish, Louisiana

I have audited the accompanying primary government financial statements of POINTE COUPEE PARISH, LOUISIANA, Louisiana, as of and for the year ended December 31, 2003, as listed in the Table of Contents. These financial statements are the responsibility of the Pointe Coupee Parish Police Jury's management. My responsibility is to express an opinion on these primary government financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards, OMB Circular A-133, and the Guide require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The primary government financial statements referred to above do not include depreciation expense for its governmental activities, which should be included to conform with generally accepted accounting principles. An estimate of the effect on assets, net assets, and expenses can not be reasonably estimated.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In my opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of Pointe Coupee Parish, Louisiana, as of December 31, 2003, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

However, the primary government financial statements, because they do not include the financial data of component units of Pointe Coupee Parish, Louisiana, do not purport to, and do not, present fairly the financial position of Pointe Coupee Parish, Louisiana, as of December 31, 2003, and the results of

its operations and cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In my opinion, except for the omission of depreciation expense for governmental activities that cannot be reasonably estimated, the primary government financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Pointe Coupee Parish, Louisiana as of December 31, 2003, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 (on page 25) to the basic financial statements, the Police Jury adopted the provisions of Government Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—For State and Local Governments*; Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Government Fund Financial Statements*, as of January 1, 2002. This results in a change in the format and content of the basic financial statements.

The Management's Discussion and Analysis and the other required supplementary information on pages 3 through 5 and 48, respectively, are not a required part of the primary government financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion thereon.

My audit was performed for the purpose of forming an opinion on the primary government financial statements taken as a whole. The accompanying schedule of expenditures of federal awards on page 49 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the other supplemental information listed in the table of contents are not a required part of the primary government financial statements of the Pointe Coupee Parish Police Jury, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the primary government financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 3, 2004, on my consideration of Pointe Coupee Parish Police Jury's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

*George F. Delaune, CPA*

September 3, 2004

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Pointe Coupee Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the fiscal year ended December 31, 2003.

Please read it in conjunction with the Police Jury's financial statements, which begin on page 6.

## FINANCIAL HIGHLIGHTS

- The Police Jury's net assets increased approximately \$0.5 million as a result of this year's operations. Net assets of our business-type activities increased approximately \$0.1 million, or 0.85%, and net assets of our governmental activities increased approximately \$0.4 million, or 4.2%.
- Total cost of all of the Police Jury's programs was almost \$9 million in 2003 compared to \$8 million in 2002.
- During the year, the Police Jury had expenses for governmental activities that were approximately \$0.8 million more than the \$5.5 million generated in general revenues and other program revenues.
- The business-type activities increased net assets by approximately \$0.1 million from operations.

## USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on page 8 and 9-10) provide information about the activities of the Police Jury as a whole and present a longer-term view of the Police Jury's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Police Jury's operations in more detail than the government-wide statements by providing information about the Police Jury's most financially significant funds.

### Reporting the Police Jury as a Whole

#### The Statement of Net Assets and the Statement of Activities

Our analysis of the Police Jury as a whole begins on page 4. One of the most important questions asked about the Police Jury's finances is "Is the Police Jury as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Police Jury as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Police Jury's net assets and changes in them. You can think of the Police Jury's net assets, the difference between assets, what the citizens own, and liabilities, what the citizens owe, as one way to measure the Police Jury's financial health, or financial position. Over time, increases or decreases in the Police Jury's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Police Jury's property tax base and the condition of the Police Jury's capital assets (roads, buildings, natural gas, water, and sewer lines) to assess the overall health of the Police Jury.

In the Statement of Net Assets and the Statement of Activities, we divide the Police Jury into two kinds of activities:

- **Governmental activities:** most of the Police Jury's basic services are reported here, including the fire, street maintenance, parks and recreation, and general administration. Property taxes, and state and federal grants finance most of these activities.
- **Business-type activities:** the Police Jury charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Police Jury's natural gas, water, sewer systems, and refuse are reported here.

## Reporting the Police Jury's Most Significant Funds

### Fund Financial Statements

Some funds are required to be established by State law. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Police Jury's three kinds of funds, governmental, proprietary and fiduciary, use different accounting approaches.

**Governmental Funds:** most of the Police Jury's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Police Jury's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Police Jury's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statements of Activities) and governmental funds in a reconciliation beside the fund financial statements.

**Proprietary funds:** when the Police Jury charges customers for the full cost of the services it provides whether to outside customers or to other units of the Police Jury, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Police Jury's enterprise funds (a component business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**Fiduciary funds:** *Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources are not available to support the Police Jury's own programs. The Parish of Pointe Coupee has only agency funds to report within the Fiduciary Fund category. Agency funds are reported on a full accrual basis and only present a statement of assets and liabilities.*

## THE POLICE JURY AS A WHOLE

Since this is the first year to report all activities on the accrual basis of accounting, a comparison to the prior year is not possible. However, in future years, this section will explain the differences between the *current- and prior-year assets, liabilities, and changes in net assets.*

The Police Jury's combined net assets changed from a year ago, increasing from approximately \$23.5 million to \$24.0 million. Looking at the net assets and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Police Jury's governmental and business-type activities.

Table 1 - Net Assets

	Governmental Activities	Business-type Activities	Total Primary Government
Current and other assets	\$ 4,620,901	\$ 5,701,600	\$ 10,322,501
Noncurrent assets	13,142,730	13,237,818	26,380,548
<b>Total assets</b>	<b>17,763,631</b>	<b>18,939,418</b>	<b>36,703,049</b>
Current liabilities	921,035	766,705	1,687,740
Noncurrent liabilities	5,375,523	5,614,972	10,990,495
<b>Total liabilities</b>	<b>6,296,558</b>	<b>6,381,677</b>	<b>12,678,235</b>
<b>Net Assets:</b>			
Invested in capital assets, net of debt	13,142,730	6,440,454	19,583,184
Restricted	1,387,698	56,571	1,444,269
Unrestricted (deficit)	(3,063,355)	6,060,717	2,997,362
<b>Total net assets</b>	<b>\$ 11,467,073</b>	<b>\$ 12,557,742</b>	<b>\$ 24,024,815</b>

Table 2 - Changes in Net Assets

	Governmental Activities	Business-type Activities	Total Primary Government
General and program revenues	\$ 5,626,568	\$ 4,690,838	\$ 10,317,406
Expenses	(4,669,843)	(4,139,009)	(8,808,852)
<b>Net Revenue/(Expense)</b>	<b>956,725</b>	<b>551,829</b>	<b>1,508,554</b>
Transfers	(168,343)	168,343	0
<b>Total net assets</b>	<b>\$ 788,382</b>	<b>\$ 720,172</b>	<b>\$ 1,508,554</b>

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

With the decrease in taxes experienced this year, next year's general fund budget was determined based on another decrease. While hopes are that this does not occur, we are making plans to be prepared.

The business-type activities rates are being monitored to reflect any increases or decreases in operating expenses/costs.

## CONTACTING THE POLICE JURY

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or need additional financial information, contact David Cifreo, Secretary-Treasurer at (225) 638-9556.

# **Basic Financial Statements**

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board (GASB). The sets of statements include:

- **Government-wide financial statements**
- **Fund financial statements**
  - **Governmental funds**
  - **Proprietary (enterprise) fund**
  - **Fiduciary funds**

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

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**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2003**

ASSETS	Governmental Activities	Business-type Activities	Total
<b>Current Assets:</b>			
Cash, including time deposits	\$ 3,172,167	\$ 3,405,626	\$ 6,577,793
Receivables -			
Taxes	961,849	145,108	1,106,957
Utility billings and other charges		2,072,673	2,072,673
Due from other governmental units	124,272	30,573	154,845
Due from other funds	361,221	25,627	386,848
Prepaid insurance	1,392	21,993	23,385
<b>Total current assets</b>	<b>4,620,901</b>	<b>5,701,600</b>	<b>10,322,501</b>
<b>Noncurrent Assets:</b>			
Restricted assets -			
Cash, including time deposits		1,555,387	1,555,387
Unamortized bond issue costs		36,445	36,445
Capital assets (net)	13,142,730	11,645,986	24,788,716
<b>Total noncurrent assets</b>	<b>13,142,730</b>	<b>13,237,818</b>	<b>26,380,548</b>
<b>Total Assets</b>	<b>17,763,631</b>	<b>18,939,418</b>	<b>36,703,049</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	75,439	392,368	467,807
Due to other governmental units	69,907	3,399	73,306
Due to other funds	182,888	138,473	321,361
Accrued interest payable		92,351	92,351
Current portion of long-term debt	592,801	140,114	732,915
<b>Total current liabilities</b>	<b>921,035</b>	<b>766,705</b>	<b>1,687,740</b>
<b>Noncurrent Liabilities:</b>			
Customer meter deposits		713,638	713,638
Long-term debt	5,244,561	4,901,334	10,145,895
Accrued compensated absences	130,962		130,962
<b>Total noncurrent liabilities</b>	<b>5,375,523</b>	<b>5,614,972</b>	<b>10,990,495</b>
<b>Total Liabilities</b>	<b>6,296,558</b>	<b>6,381,677</b>	<b>12,678,235</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	13,142,730	6,440,454	19,583,184
Restricted for -			
Capital projects	718,913		718,913
Debt service	668,785	56,571	725,356
Unrestricted	(3,063,355)	6,060,717	2,997,362
<b>Total Net Assets</b>	<b>\$ 11,467,073</b>	<b>\$ 12,557,742</b>	<b>\$ 24,024,815</b>

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA**  
**POLICE JURY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2003**

Functions/Programs	Expenses	Program Revenues		Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contribu-	
<b>Governmental Activities:</b>				
General government	\$ 1,535,232	\$ 31,141		\$ (1,504,091)
Public safety	834,412	108,761		(725,651)
Highways and streets	793,606			(793,606)
Welfare	29,214			(29,214)
Culture and recreation	457,818	84,967		(372,851)
Conservation	586,733			(586,733)
Economic development	66,469			(66,469)
Unallocated interest & other charges	366,359			(366,359)
<b>Total Governmental Activities</b>	<b>4,669,843</b>	<b>224,869</b>	<b>0</b>	<b>(4,444,974)</b>
<b>Business-type Activities:</b>				
Gas	1,891,478	1,891,873		395
Water	519,730	700,633		180,903
Sewer	260,665	191,194		(69,471)
Solid waste	1,272,765	845,161		(427,604)
Multi-use center	91,555	45,866		(45,689)
Utility maintenance	77,163	69,700		(7,463)
Port	25,653	23,466		(2,187)
<b>Total Business-type Activities</b>	<b>4,139,009</b>	<b>3,767,893</b>	<b>0</b>	<b>(371,116)</b>
<b>Total</b>	<b>\$ 8,808,852</b>	<b>\$ 3,992,762</b>	<b>\$ 0</b>	<b>\$ (4,816,090)</b>

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA**  
**POLICE JURY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2003**

**Change in Net Assets:**

	Governmental Activities	Business-type Activities	Total
<b>Net (Expense)/Revenue</b>	<b>\$ (4,444,974)</b>	<b>\$ (371,116)</b>	<b>\$ (4,816,090)</b>
<b>General revenues:</b>			
<b>Taxes:</b>			
Property taxes, levied for general operations	943,982		943,982
Property taxes, levied for debt service		139,919	139,919
Sales and use taxes	2,180,257	415,673	2,595,930
Franchise and public service taxes	48,461		48,461
Hotel/Motel taxes	18,361		18,361
Intergovernmental	1,536,125		1,536,125
Investment income	38,335	32,415	70,750
Miscellaneous	636,178	334,938	971,116
<b>Transfers</b>	<b>(168,343)</b>	<b>168,343</b>	<b>0</b>
<b>Total General Revenues and Transfers</b>	<b>5,233,356</b>	<b>1,091,288</b>	<b>6,324,644</b>
<b>Change in Net Assets</b>	<b>788,382</b>	<b>720,172</b>	<b>1,508,554</b>
<b>Net Assets – Beginning</b>	<b>11,003,572</b>	<b>12,451,906</b>	<b>23,455,478</b>
<b>Net Assets – Ending</b>	<b>\$ 11,791,954</b>	<b>\$ 13,172,078</b>	<b>\$ 24,964,032</b>

See accompanying notes to the basic financial statements.

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**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2003**

	General Fund	Debt Service Road Improvement	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash, including time deposits	\$ 676,296	\$ 1,388,610	\$ 1,107,261	\$ 3,172,167
Accounts receivable	735,547		226,302	961,849
Due from other governments	88,030		36,242	124,272
Due from other funds	358,921		2,300	361,221
Other assets			1,392	1,392
<b>Total Assets</b>	<b>\$ 1,858,794</b>	<b>\$ 1,388,610</b>	<b>\$ 1,373,497</b>	<b>\$ 4,620,901</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 24,428	\$ 912	\$ 50,099	\$ 75,439
Construction costs and retainage				0
Due to other governments	30,290		39,617	69,907
Due to other funds			182,888	182,888
<b>Total Liabilities</b>	<b>54,718</b>	<b>912</b>	<b>272,604</b>	<b>328,234</b>
<b>FUND BALANCES</b>				
Unreserved, reported in:				
General fund	1,804,076			1,804,076
Capital projects fund		718,913		718,913
Debt service fund		668,785		668,785
Special revenue funds			1,100,893	1,100,893
<b>Total Fund Balances</b>	<b>1,804,076</b>	<b>1,387,698</b>	<b>1,100,893</b>	<b>4,292,667</b>
<b>Total Liabilities and Fund</b>	<b>\$ 1,858,794</b>	<b>\$ 1,388,610</b>	<b>\$ 1,373,497</b>	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$ 13,142,730

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Long-term debt (5,837,362)  
Accrued interest payable 0  
Accrued compensated absences (130,962)

**Net Assets of Governmental Activities** **\$ 11,467,073**

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2003**

	General Fund	Debt Service Road Improvement	Other Governmental Activities	Total Governmental Activities
<b>Revenues</b>				
Taxes	\$ 768,041	\$ 1,147,505	\$ 1,275,515	\$ 3,191,061
Intergovernmental	1,077,696		458,429	1,536,125
Charges for services	31,141		84,967	116,108
Fines and forfeitures			108,761	108,761
Licenses and permits	175,697			175,697
Investment income	21,960	7,493	8,882	38,335
Miscellaneous	425,969		19,512	445,481
<b>Total Revenues</b>	<u>2,500,504</u>	<u>1,154,998</u>	<u>1,956,066</u>	<u>5,611,568</u>
<b>Expenditures</b>				
<b>Current -</b>				
General government	1,531,027		4,205	1,535,232
Public safety	221,237		613,175	834,412
Highways and streets		278,481	515,125	793,606
Welfare	2,553		26,661	29,214
Culture and recreation	37,980		419,838	457,818
Conservation			586,733	586,733
Economic development	51,587		14,882	66,469
<b>Debt service -</b>				
Principal		5,245,000	82,217	5,327,217
Interest and other charges		337,125	29,234	366,359
<b>Capital outlays</b>			249,323	249,323
<b>Total Expenditures</b>	<u>1,844,384</u>	<u>5,860,606</u>	<u>2,541,393</u>	<u>10,246,383</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>656,120</u>	<u>(4,705,608)</u>	<u>(585,327)</u>	<u>(4,634,815)</u>
<b>Other Financing Sources (Uses)</b>				
Bond proceeds		4,805,000		4,805,000
Transfers in			444,090	444,090
Transfers out	(487,258)	(50,000)	(60,175)	(597,433)
<b>Total Other Financing Sources (Uses)</b>	<u>(487,258)</u>	<u>4,755,000</u>	<u>383,915</u>	<u>4,651,657</u>
<b>Net Change in Fund Balances</b>	168,862	49,392	(201,412)	16,842
<b>Fund Balances – Beginning</b>	<u>1,635,214</u>	<u>1,338,306</u>	<u>1,302,305</u>	<u>4,275,825</u>
<b>Fund Balances – Ending</b>	<u>\$ 1,804,076</u>	<u>\$ 1,387,698</u>	<u>\$ 1,100,893</u>	<u>\$ 4,292,667</u>

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2003**

Reconciliation of the change in fund balances – total governmental funds  
to the change in net assets of governmental activities:

Net change in fund balances – total governmental funds	\$ 16,842
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	249,323
Depreciation expense	0
Governmental funds report proceeds from long-term debt as revenues; but the incurrence of new debt increases long-term liabilities in the Statement of Net Assets:	
Proceeds from refunding bonds	(4,805,000)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:	
Long-term debt	5,327,217
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued interest payable	0
Accrued compensated absences	(143,865)
	(143,865)
Change in Net Assets of Governmental Activities	\$ 644,517

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA**  
**POLICE JURY**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2003**

	Business-type Activities		
	Natural Gas System	Gas Utility District 2	Waterworks District 1
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash, including time deposits	\$ 668,414	\$ 1,011,881	\$ 46,271
Accounts receivable - taxes			78,013
Accounts receivable - utility billings and other charges	508,345	482,188	91,776
Due from other governmental units			
Due from other funds		25,627	
Prepaid insurance	2,431	2,431	1,448
<b>Total Current Assets</b>	<b>1,179,190</b>	<b>1,522,127</b>	<b>217,508</b>
<b>Noncurrent Assets:</b>			
Restricted assets -			
Cash, including time deposits	423,621	387,980	466,471
Unamortized bond issue costs			15,617
Capital assets, net	977,043	422,484	1,322,078
<b>Total Noncurrent Assets</b>	<b>1,400,664</b>	<b>810,464</b>	<b>1,804,166</b>
<b>Total Assets</b>	<b>2,579,854</b>	<b>2,332,591</b>	<b>2,021,674</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	91,306	133,550	1,262
Contracts and retainage payable			
Due to other governmental units			3,399
Due to other funds			
Accrued interest payable	3,393		19,513
Current portion of long-term debt	34,301		25,868
<b>Total Current Liabilities</b>	<b>129,000</b>	<b>133,550</b>	<b>50,042</b>
<b>Noncurrent Liabilities:</b>			
Consumer meter deposits payable	270,636	297,079	96,087
Long-term debt	769,771		1,454,114
<b>Total Noncurrent Liabilities</b>	<b>1,040,407</b>	<b>297,079</b>	<b>1,550,201</b>
<b>Total Liabilities</b>	<b>1,169,407</b>	<b>430,629</b>	<b>1,600,243</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	172,970	422,484	(157,904)
Restricted for debt service			
Unrestricted	1,237,477	1,479,478	579,335
<b>Total Net Assets</b>	<b>\$ 1,410,447</b>	<b>\$ 1,901,962</b>	<b>\$ 421,431</b>

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA**  
**POLICE JURY**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2003**

Business-type Activities					
Waterworks District 2	Solid Waste	Sewer District 1	Multi-Use Center	Nonmajor Enterprise Funds	Totals
\$ 171,419	\$ 1,081,294	\$ 101,722	\$ 907	\$ 323,718	\$ 3,405,626
		64,285		2,810	145,108
140,816	737,795	89,722		22,031	2,072,673
	4,816	6,302		19,455	30,573
1,635		3,170		10,878	25,627
<u>313,870</u>	<u>1,823,905</u>	<u>265,201</u>	<u>907</u>	<u>378,892</u>	<u>5,701,600</u>
175,743		66,388	35,184		1,555,387
20,828					36,445
5,486,446	90,632	1,216,340	891,444	1,239,519	11,645,986
<u>5,683,017</u>	<u>90,632</u>	<u>1,282,728</u>	<u>926,628</u>	<u>1,239,519</u>	<u>13,237,818</u>
5,996,887	1,914,537	1,547,929	927,535	1,618,411	18,939,418
2,146	105,309	3,559	277	28,370	365,779
26,589					26,589
					3,399
87,000	15,729	2,300		33,444	138,473
22,387		9,519	34,692	2,847	92,351
44,335		24,275	10,425	910	140,114
<u>182,457</u>	<u>121,038</u>	<u>39,653</u>	<u>45,394</u>	<u>65,571</u>	<u>766,705</u>
49,836					713,638
1,346,871		612,911	664,778	52,889	4,901,334
<u>1,396,707</u>	<u>0</u>	<u>612,911</u>	<u>664,778</u>	<u>52,889</u>	<u>5,614,972</u>
1,579,164	121,038	652,564	710,172	118,460	6,381,677
4,112,420	(90,632)	579,155	216,241	1,185,720	6,440,454
56,571					56,571
248,732	1,884,131	316,210	1,122	314,232	6,060,717
<u>\$ 4,417,723</u>	<u>\$ 1,793,499</u>	<u>\$ 895,365</u>	<u>\$ 217,363</u>	<u>\$ 1,499,952</u>	<u>\$ 12,557,742</u>

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2003**

	Business-type Activities		
	Natural Gas System	Gas Utility District 2	Waterworks District 1
<b>Operating Revenues</b>			
Charges for services -			
Gas charges	\$ 780,999	\$ 999,655	
Water charges			\$ 226,499
Sewer charges			
Solid waste charges			
User fees and leases			
Penalties	28,827	37,429	8,253
<b>Total Operating Revenues</b>	<u>809,826</u>	<u>1,037,084</u>	<u>234,752</u>
<b>Operating Expenses</b>			
Salaries and benefits	154,497	156,026	90,662
Administrative costs			
Professional and technical services	16,628	19,903	6,052
Utilities	2,004	541	7,214
Solid waste disposal fee			
Natural gas purchases	513,978	646,969	
Insurance	12,123	12,317	5,341
Repairs, maintenance and supplies	75,742	103,919	23,762
Depreciation	116,216	60,615	39,120
<b>Total Operating Expenses</b>	<u>891,188</u>	<u>1,000,290</u>	<u>172,151</u>
<b>Operating Income (Loss)</b>	<u>(81,362)</u>	<u>36,794</u>	<u>62,601</u>
<b>Nonoperating Revenues (Expenses)</b>			
Ad valorem taxes, net of and revenue sharing			73,938
Sales taxes			
Investment income	6,647	10,335	4,011
Sale of property	186,859		
Grants received			
Interest on long-term debt and other charges	(44,963)		(103,186)
Amortization of bond costs			(684)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>148,543</u>	<u>10,335</u>	<u>(25,921)</u>
<b>Net Income (Loss) Before Contributions and Transfers</b>	67,181	47,129	36,680
Operating transfers in		50,000	
<b>Net Income</b>	67,181	97,129	36,680
<b>Net Assets – Beginning of Year</b>	1,343,267	1,804,833	384,751
<b>Net Assets – End of Year</b>	<u>\$ 1,410,448</u>	<u>\$ 1,901,962</u>	<u>\$ 421,431</u>

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA**  
**POLICE JURY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2003**

Business-type Activities					
Waterworks District 2	Solid Waste	Sewer District 1	Multi-Use Center	Nonmajor Enterprise Funds	Totals
					\$ 1,780,654
\$ 281,096					507,595
	\$ 814,059	\$ 129,228		\$ 26,720	155,948
			\$ 10,469	93,166	814,059
10,404	31,102				103,635
291,500	845,161	129,228	10,469	119,886	116,015
					3,477,906
91,132	20,994	25,346	43,376	70,506	652,539
8,836				900	9,736
12,321	13,281	14,885		8,342	91,412
19,250		21,161	9,031	10,988	70,189
	1,132,957				1,132,957
					1,160,947
5,483		9,807		12,943	58,014
39,812	91,758	57,594	10,320	46,808	449,715
170,745	13,775	43,974	28,828	40,228	513,501
347,579	1,272,765	172,767	91,555	190,715	4,139,010
(56,079)	(427,604)	(43,539)	(81,086)	(70,829)	(661,104)
		63,127		2,854	139,919
	415,673				415,673
1,879	5,770	873	242	2,658	32,415
					186,859
126,098				21,981	148,079
(69,865)		(31,807)	(35,397)	(3,439)	(288,657)
(646)					(1,330)
57,466	421,443	32,193	(35,155)	24,054	632,958
1,387	(6,161)	(11,346)	(116,241)	(46,775)	(28,146)
		3,553	114,790		168,343
1,387	(6,161)	(7,793)	(1,451)	(46,775)	140,197
4,450,696	1,799,660	903,158	218,814	1,546,727	8,919,055
\$ 4,452,083	\$ 1,793,499	\$ 895,365	\$ 217,363	\$ 1,499,952	\$ 9,059,252

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2003**

	Business-type Activities		
	Natural Gas System	Gas Utility District 2	Waterworks District 1
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 788,895	\$ 1,028,374	\$ 229,418
Payments to suppliers	(598,444)	(727,709)	(38,327)
Payments to employees and benefits	(154,497)	(156,026)	(90,662)
Receipts of consumer meter deposits	8,000	10,100	16,000
Refunds of consumer meter deposits	(10,914)	(12,726)	(50,542)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>33,040</b>	<b>142,013</b>	<b>65,887</b>
<b>Cash Flows from Noncapital Financing Activities</b>			
Operating transfers to other funds		50,000	
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of capital assets	(2,443)		
Principal paid on capital debt	(28,716)		(25,868)
Interest paid on capital debt	(45,084)		(105,513)
Proceeds from construction grants			
Proceeds from sale of property	186,859		
Bond issue costs paid			
Ad valorem and shared taxes received, net			71,220
Sales taxes			
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>110,616</b>	<b>0</b>	<b>(60,161)</b>
<b>Cash Flows from Investing Activities</b>			
Investment income	6,648	10,335	4,011
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>6,648</b>	<b>10,335</b>	<b>4,011</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>150,304</b>	<b>202,348</b>	<b>9,737</b>
<b>Balances – Beginning of Year</b>	<b>518,111</b>	<b>810,332</b>	<b>371,205</b>
<b>Balances – End of Year</b>	<b>\$ 668,415</b>	<b>\$ 1,012,680</b>	<b>\$ 380,942</b>
<b>Cash, including time deposits</b>	<b>\$ 668,415</b>	<b>\$ 1,011,880</b>	<b>\$ 46,271</b>
<b>Restricted cash, including time deposits</b>		<b>800</b>	<b>334,671</b>
<b>Total Cash and Cash Equivalents, End of Year</b>	<b>\$ 668,415</b>	<b>\$ 1,012,680</b>	<b>\$ 380,942</b>

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA**  
**POLICE JURY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2003**

Business-type Activities					
Waterworks District 2	Solid Waste	Sewer District 1	Multi-Use Center	Nonmajor Enterprise Funds	Totals
\$ 287,108	\$ 801,383	\$ 121,366	\$ 10,469	\$ 102,592	\$ 3,369,605
(83,575)	(1,145,187)	(101,299)	(20,430)	(56,924)	(2,771,895)
(91,132)	(20,994)	(25,346)	(43,376)	(70,506)	(652,539)
18,000					52,100
(19,367)					(93,549)
<u>111,034</u>	<u>(364,798)</u>	<u>(5,279)</u>	<u>(53,337)</u>	<u>(24,838)</u>	<u>(96,278)</u>
			114,790		164,790
(122,318)	(2,443)				(127,204)
(16,983)		(23,191)	(26,018)	(873)	(121,649)
(70,263)		(32,143)	(35,727)	(3,476)	(292,206)
126,098				21,981	148,079
		63,830			186,859
	415,673			2,641	0
					137,691
					415,673
<u>(83,466)</u>	<u>413,230</u>	<u>8,496</u>	<u>(61,745)</u>	<u>20,273</u>	<u>347,243</u>
1,880	5,770	873	242	2,658	11,423
<u>1,880</u>	<u>5,770</u>	<u>873</u>	<u>242</u>	<u>2,658</u>	<u>11,423</u>
29,448	54,202	4,090	(50)	(1,907)	427,178
<u>234,642</u>	<u>1,027,092</u>	<u>160,467</u>	<u>36,141</u>	<u>325,625</u>	<u>1,783,967</u>
<u>\$ 264,090</u>	<u>\$ 1,081,294</u>	<u>\$ 164,557</u>	<u>\$ 36,091</u>	<u>\$ 323,718</u>	<u>\$ 2,211,145</u>
\$ 171,419	\$ 1,081,294	\$ 101,722	\$ 907	\$ 323,718	\$ 3,405,626
92,671		62,835	35,184		526,161
<u>\$ 264,090</u>	<u>\$ 1,081,294</u>	<u>\$ 164,557</u>	<u>\$ 36,091</u>	<u>\$ 323,718</u>	<u>\$ 3,931,787</u>

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA**  
**POLICE JURY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2003**

	Business-type Activities		
	Natural Gas System	Gas Utility District 2	Waterworks District 1
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ (81,362)	\$ 36,794	\$ 62,601
Adjustments to reconcile operating income to net cash provided (used) by operating activities -			
Cash flows reported in other categories -			
Depreciation expense	116,216	60,615	39,120
Decrease (increase) in assets -			
Receivables, net	(20,930)	(8,710)	(8,051)
Due from other governmental units			
Due from other funds			
Prepaid insurance	(373)	(178)	2,848
Consumer meter deposits	(19)	(14,942)	(36,830)
Increase (decrease) in liabilities -			
Accounts payable	22,403	56,118	694
Due to other governmental units			500
Consumer meter deposits	(2,895)	12,316	5,005
Balances - End of Year	<u>\$ 33,040</u>	<u>\$ 142,013</u>	<u>\$ 65,887</u>

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA**  
**POLICE JURY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2003**

Business-type Activities					
Waterworks District 2	Solid Waste	Sewer District 1	Multi-Use Center	Nonmajor Enterprise Funds	Totals
\$ (56,079)	\$ (427,603)	\$ (43,539)	\$ (81,086)	\$ (70,830)	(661,104)
170,745	13,775	43,974	28,828	40,228	513,501
(4,392)	(43,777) 591	(7,862) (221)		1,662 (18,955)	(92,060) (18,585)
2,741 (10,083)		2,644		(4,270)	3,412 (61,874)
2,127	92,216	(275)	(1,079)	27,327	199,531 500
5,975					20,401
\$ 111,034	\$ (364,798)	\$ (5,279)	\$ (53,337)	\$ (24,838)	\$ (96,278)

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA**  
**POLICE JURY**  
**STATEMENT OF NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2003**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash, including time deposits	\$ 262,316
<b>Total Assets</b>	<b>\$ 262,316</b>
<b>LIABILITIES</b>	
Taxes paid under protest	\$ 156,240
Due to other governmental units -	
Pointe Coupee Parish School Board	106,826
City of New Roads	2,733
Town of Livonia	(7,508)
Town of Fordoche	(5,238)
Village of Morganza	(7,371)
Due to other funds -	
General fund	16,634
<b>Total Liabilities</b>	<b>\$ 262,316</b>

See accompanying notes to the basic financial statements.

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.A. INTRODUCTION**

The Pointe Coupee Parish Police Jury is the governing authority for Pointe Coupee Parish, Louisiana, and is a political subdivision of the State of Louisiana. The Police Jury is governed by twelve jurors representing the various districts within the parish.

The area of Pointe Coupee Parish is 591 square miles and the Police Jury maintains 129 miles of roads. The population of Pointe Coupee Parish is 22,540 based on the 1990 census and the Police Jury employs approximately 70 persons.

The Police Jury, under the provisions of Louisiana Revised Statutes 33:1271-1285, enacts ordinances, sets policy and establishes programs in such fields as social welfare, transportation, drainage, industrial inducement, and health services.

Louisiana Revised Statute 33:1236 gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges and drainage; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing and various state and federal grants.

In accomplishing its objectives, the Police Jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protection, library facilities, and health care facilities.

The Police Jury complies with generally accepted accounting principles (GAAP). 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 Standards Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the Police Jury the option of electing to apply FASB pronouncements issued after November 30, 1989. The Police Jury has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements include:
  - A Management Discussion and Analysis (MD&A) section providing an analysis of the Police Jury's overall financial position and results of operations.
  - Financial statements prepared using full accrual accounting for all of the Police Jury's activities, including infrastructure (roads, bridges, etc.).

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Police Jury has elected to implement the general provisions of Statements No. 33 and 34 and Interpretation No. 6 in the current year and plans to retroactively report infrastructure (assets acquired prior to January 1, 2002) in the fiscal year ending December 31, 2004.

**1.B. FINANCIAL REPORTING ENTITY**

As the governing authority of Pointe Coupee Parish, for reporting purposes, the Pointe Coupee Parish Police Jury is the financial reporting entity for Pointe Coupee Parish. The financial reporting entity consists of [a] the primary government (Police Jury), [b] organizations for which the primary government is financially accountable, and [c] other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Pointe Coupee Parish Police Jury includes all funds, accounts groups, et cetera, that are within the oversight responsibility of the Pointe Coupee Parish Police Jury.

The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

Based on the previous criteria, the Police Jury has determined that the following component units are part of the reporting entity:

	Fiscal Year End	Criteria Used
Pointe Coupee Community Advancement, Inc.	March 31	2
Pointe Coupee Council on Aging	June 30	2
Bonne Sante' - Chemical & Wellness Center	June 30	1
Pointe Coupee Parish Health Service District No. 1	October 31	1
Pointe Coupee Parish Nursing Home	October 31	1
False River Air Park Commission	December 31	1

**POINTE COUPEE PARISH, LOUISIANA  
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False River Recreation Park Commission	December 31	1
Fire Protection District No. 1	December 31	2
Fire Protection District No. 2	December 31	2
Fire Protection District No. 3	December 31	2
Fire Protection District No. 4	December 31	2
Fire Protection District No. 5	December 31	2
Pointe Coupee Parish Commission on Tourism	December 31	1
Pointe Coupee Parish Communication District	December 31	1
Pointe Coupee Parish Library	December 31	1
Mosquito Abatement District	December 31	1
Pointe Coupee Parish Port, Harbor and Terminal District	December 31	2
Pointe Coupee Parish Poydras Fund	December 31	1
Pointe Coupee Parish Natural Gas System	December 31	1
Gas Utility District No. 2 of Pointe Coupee	December 31	1
Pointe Coupee Parish Waterworks District No. 1	December 31	1
Pointe Coupee Parish Waterworks District No. 2	December 31	1
Pointe Coupee Parish Sewerage District No. 1	December 31	1
Pointe Coupee Parish Sewerage District No. 3A	December 31	1

The Police Jury has chosen to issue financial statements of the primary government (Police Jury) only; therefore, have included all funds, account groups, and organizations for which the Police Jury maintains the accounting records. Consequently, the following organizations are considered part of the primary government:

False River Recreation Park Commission  
 Fire Protection District No. 1  
 Fire Protection District No. 3  
 Pointe Coupee Parish Commission on Tourism  
 Pointe Coupee Parish Communication District  
 Mosquito Abatement District  
 Pointe Coupee Port, Harbor, and Terminal District  
 Pointe Coupee Parish Natural Gas System  
 Gas Utility District No. 2 of Pointe Coupee  
 Pointe Coupee Parish Waterworks District No. 1  
 Pointe Coupee Parish Waterworks District No. 2  
 Pointe Coupee Parish Sewerage District No. 1  
 Pointe Coupee Parish Sewerage District No. 3A

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Police Jury) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (Police Jury).

It was determined that the following governmental entities are not component units of the Pointe Coupee Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Pointe Coupee Parish Police Jury.

POINTE COUPEE PARISH, LOUISIANA  
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*Pointe Coupee Parish Sheriff*  
Pointe Coupee Parish Clerk of Court  
Pointe Coupee Parish Tax Assessor  
Pointe Coupee Parish School Board  
District Attorney of the Eighteenth Judicial District  
Various municipalities in Pointe Coupee Parish

**1.C. BASIS OF PRESENTATION**

The Police Jury's basic financial statements include both government-wide (reporting the Police Jury as a whole) and fund financial statements (reporting the Police Jury's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

Government-wide Financial Statements

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 except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Police Jury 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 fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

**Governmental Funds**

**General Fund** -- The General Fund is the primary operating fund of the Police Jury and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**POINTE COUPEE PARISH, LOUISIANA  
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**Special Revenue Funds --** Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

**Debt Service Fund —** The Debt Service Fund accounts for the accumulation of financial resources for payment of interest and principal on the general long-term debt of the Police Jury other than debt service payments made by enterprise funds. Ad valorem and sales and use taxes are used for the payment of principal and interest on the Police Jury's judgment.

**Capital Projects Fund --** The Capital Projects Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets with transfers made from the General Fund.

**Proprietary Fund**

**Enterprise Funds --** Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

**Fiduciary Funds (Not included in government-wide statements)**

**Agency Funds --** Agency funds account for assets held by the Police Jury on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operation. The agency funds are as follows:

Sales Tax Escrow accounts for funds from prior sales tax ordinance dedicated for contingencies.

Sales Tax No. 2 accounts for funds received under the central collection agency agreement of the parish.

**Major and Nonmajor Funds**

The funds are further classified as major or nonmajor as follows:

**Major Funds**

**General Fund (see above for description)**

See above for description.

**Debt Service Fund:**

Road Improvement Bond Fund accounts for sales taxes used for the payment of interest and principal on \$6,600,000 Road Improvement Bonds, dated September 1, 1997 and excess sales tax collected for the construction or overlay of parish streets and roads.

**Proprietary Fund:**

Pointe Coupee Parish Natural Gas System was originally established to provide gas services to residents in the Sixth, Seventh, and portions of the Fifth, Eighth, and Ninth Wards of Pointe Coupee Parish on May 7, 1952. The System is governed by a board consisting of Police Jury members.

POINTE COUPEE PARISH, LOUISIANA  
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Gas Utility District No. 2 of Pointe Coupee Parish was established on November 10, 1964, to provide gas services to residents of portions of the parish as designated in the resolution.

Pointe Coupee Parish Waterworks District No. 1 was created on March 24, 1981 through an ordinance adopted by the Pointe Coupee Parish Police Jury. The District was established to provide water service to the residents of certain parts of Pointe Coupee Parish, as designated in the resolutions and subsequent amendments to the boundaries. The District is governed by a five member Board of Commissioners, appointed by the Pointe Coupee Parish Police Jury.

Waterworks District No. 2 of the Parish of Pointe Coupee, Louisiana was created on August 25, 1987, through an ordinance adopted by the Pointe Coupee Parish Police Jury as authorized by the provisions of Article 6, Section 19 of the 1974 Louisiana Constitution and R.S. 33:3811, et seq. The District was established to provide water service to the residents of certain parts of Pointe Coupee Parish, Louisiana, as designated in Section 3 of the Ordinance. The District is governed by a five member Board of Commissioners, appointed by the Pointe Coupee Parish Police Jury.

Pointe Coupee Parish Sewerage District No. 1 was created by the Pointe Coupee Parish Police Jury on November 11, 1969, as authorized by Louisiana Revised Statute 33:3811. The District is responsible for the construction, maintenance, and operation of the sewer and sewerage disposal works within the territorial limits of the District. The District is governed by a Board of Commissioners consisting of three members appointed by the Pointe Coupee Parish Police Jury.

Pointe Coupee Parish Solid Waste Fund was established by the Pointe Coupee Parish Police Jury to provide solid waste disposal for all residents of the parish. It is funded through user charges and a special sales tax levy for garbage collection and disposal.

Multi-Use Center accounts for the funds generated by the activities of the parish cultural center.

### Nonmajor Funds

#### Special Revenue Funds

Insurance Loss Fund accounts for funds set aside by the Police Jury for reimbursement of damages responsible of the Police Jury because of insurance deductible or damages not covered by insurance.

Building Maintenance & Replacement Fund accounts for funds set aside by the Police Jury for the maintenance and replacement of certain government buildings.

Criminal Court Fund accounts for the receipts of court fees and fines and the disbursements of court costs of the 18<sup>th</sup> Judicial District.

Drainage and Road Equipment Fund accounts for set aside revenues and the expenditures to purchase equipment.

Fire Protection District No. 1 accounts for the levy of a special millage on property assessments to be used to own, maintain, and operate buildings, machinery, and equipment used in providing fire protection to the property in the district.

Fire Protection District No. 3 accounts for the levy of a special millage on property assessments to be used to own, maintain, and operate buildings, machinery, and equipment used in providing fire protection to the property in the district.

POINTE COUPEE PARISH, LOUISIANA  
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Detention Center accounts for a special tax levy for the construction, maintenance and operations of the parish jail facility.

Parishwide Drainage Fund accounts for routine maintenance of parish drainage facilities. Financing is provided by transfers from the General Fund and proceeds from the State Revenue Sharing Fund.

Parishwide Recreation Fund accounts for a special tax levy for recreational parks around the parish.

Emergency Shelter Grant accounts for assistance to indigent individuals.

Nursing Home Capital Outlay accounts for funds set aside for improvements, repairs and maintenance to the parish nursing home.

Roads and Bridges Fund accounts for the construction of new roads and bridges; also, the maintenance of existing roads and bridges. The major sources of financing are provided by the State of Louisiana Parish Road Fund, Parish Royalty Fund and grants from the Louisiana Department of Transportation and Development. Use of the funds is restricted by Louisiana Revised Statute 48:753.

Motor Vehicle Handling Fund accounts for the expenditure of funds used to maintain the building used for the state department of motor vehicles.

Sales Tax Special Fund accounts for the surplus funds remaining from the original 1% sales tax ordinance.

Commission on Tourism accounts for the expenditures of funds used to promote the economic development and tourism of the parish.

Economic Development Fund accounts for the expenditure of funds to promote economic development in the parish.

Weatherization Fund accounts for the revenue and expenditures of a Department of Social Services weatherization grant.

Visitor Enterprise accounts for the revenue and expenditures of enterprise funds received from the state.

Scott Civic Center accounts for the revenues and expenditures of the parish civic center.

Mosquito Abatement District accounts for funds to control mosquitos in the parish.

**Capital Projects Funds:**

False River Recreation Park Construction accounts for funds designated by the Police Jury for the ongoing construction and improvements of the False River Recreation Park.

**Proprietary Funds:**

Pointe Coupee Parish Sewerage District No. 3A was created by the Pointe Coupee Parish Police Jury on March 17, 1987, as authorized by Louisiana Revised Statute 33:3811. The District is responsible for the construction, maintenance, and operation of the sewer and sewerage disposal works within the territorial limits of the District. The District is governed by a Board of Commissioners consisting of three members appointed by the Pointe Coupee Parish Police Jury.

**POINTE COUPEE PARISH, LOUISIANA  
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Pointe Coupee Port, Harbor, and Terminal District was created by Act No. 23 of the 1967 Regular Session of the Louisiana Legislature, Louisiana Revised Statutes 34:2451 et seq., as a political subdivision of the state with full corporate powers. The territorial limits and territorial jurisdiction of said District shall be the territory comprising and lying within the limits and boundaries of the Parish of Pointe Coupee, Louisiana. The District operates a port, harbor and terminal facility generating funds from loading and unloading charges, dockage charges, and lease rentals.

Utility Maintenance accounts for the maintenance of False River Water Works Corp. water system.

Legonier Sewer System an extension of Pointe Coupee Parish Sewerage District No. 1 being accounted for in a separate fund.

#### **1.D. MEASUREMENT FOCUS AND 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 Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

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

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current assets and liabilities are generally included on their balance sheets. Their operating statements present sources and used 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.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

##### **Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Basis of Accounting is either "accrual" or "modified accrual" depending upon the type of type of financial statement or funds.

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like 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

**POINTE COUPEE PARISH, LOUISIANA  
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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.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize 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.

#### **1.E. ASSETS, LIABILITIES, AND EQUITY**

##### **Cash and Investments**

For the purpose of the Statements of Net Assets, "cash, including time deposits" includes all demand deposits and pooled cash accounts of the Police Jury. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand or short-term investments with an original maturity of 90 days or less.

Investments are carried at fair value based on quoted market price. Additional cash and investment disclosures are presented in Notes 2.C. and 3.A.

##### **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 service type transactions are classified as "due to and from other others". 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. See Note 3.G. for details of interfund transactions, including receivables and payables at year-end.

##### **Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, fines, and reimbursements. Business-type activities report utilities and interest earnings as major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

**POINTE COUPEE PARISH, LOUISIANA  
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**Inventories**

Inventories for supplies are immaterial and are recorded as expenditures/expenses when purchased.

**Restricted Assets**

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

**Fixed Assets**

The accounting treatment over property, plant, and equipment (fixed assets) 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.

**Government-wide Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Prior to January 1, 2002, governmental funds' infrastructure assets were not capitalized. The Police Jury has elected to delay the retroactive recognition of these costs until a later date because of the complexity of estimating the historical cost.

Depreciation of all exhaustible fixed 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	5 - 50 Years
Improvements other than buildings	20 - 50 Years
Machinery and equipment	3 - 10 Years
Computer equipment	5 Years
Vehicles	6 Years

**Fund Financial Statements**

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

**Amortization of Bond Issuance Costs**

The bond issuance costs are amortized on a straight-line basis for a period conforming to the term of the bonds issued.

**Long-Term Obligations**

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.

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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 bonds payable and accrued compensated absences.

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 is the same in the fund statements as it is in the government-wide statements.

### **Compensated Absences**

The Police Jury's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report funds report the liability as it is incurred.

### **Equity Classifications**

#### **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 – Consist 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."

### **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. See Note 3.G. for additional disclosures.

## **1.F. REVENUES, EXPENDITURES, AND EXPENSES**

### **Property Tax**

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 10% of "use" value; and all other property is to be

**POINTE COUPEE PARISH, LOUISIANA  
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assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Police Jury. By agreement, the Sheriff receives a commission of approximately 3.83%. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If the taxes are not paid by the due date of December 31st, the taxes bear interest at 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are collected from November to February by the Sheriff. Any amounts not collected at December 31st are shown as accounts receivable. All taxes are considered fully collectible; therefore, no allowance for uncollectible taxes is provided.

Ad valorem taxes as presented in these financial statements are as follows:

Fund	Expira- tion Date	Mills	Property Assessed Valuations	Taxes Assessed For	
				General Purpose	Special Purposes
<b>General Fund -</b>					
Parish Tax	Statutory	3.42	\$ 222,834,613	\$ 679,546	
Parish Tax in New Roads	Statutory	1.71	28,355,955	38,007	
Parish Tax in Livonia	Statutory	1.71	4,899,905	4,837	
<b>Special Revenue -</b>					
Fire District No. 1	2010	5.54	14,199,553		\$ 63,994
Fire District No. 3	2010	5.97	36,051,716		161,287
<b>Enterprise Funds -</b>					
Water District No. 1	2026	11.93	10,332,251		78,013
Sewer District No. 1	2018	37.16	3,449,065		67,298
Sewer District No. 3A	2029	29.70	429,920		2,969
				<u>\$ 707,169</u>	<u>\$ 364,434</u>

The taxes levied in the enterprise funds are dedicated for debt service.

**Sales and Use Tax**

Pointe Coupee has a one per cent sales and use tax approved by the voters on September 19, 1984. The tax, after all necessary costs for collection and administration, is to be used for the following purposes in the percentages assigned:

- Not less than 35% is dedicated and used for capital improvements, maintenance, and operation of Pointe Coupee Parish Hospital District No. 1, including, but not limited to, the Pointe Coupee General Hospital and other medical complexes adjacent thereto and throughout the Parish;

**POINTE COUPEE PARISH, LOUISIANA  
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- Not less than 20% is dedicated and used for the construction, maintenance, and operations of a comprehensive parishwide solid waste and non-hazardous waste disposal program;
- Not less than 20% is dedicated and used for the construction and maintenance of public roads, highways, bridges and drainage facilities throughout the unincorporated areas of the Parish;
- Not less than 14% is dedicated and used for capital improvements, maintenance and operations of a parishwide recreational program, including, but not limited to, a senior citizens and youth services program;
- The remaining 11% shall be appropriated by the Police Jury for lawful Parish purposes, by ordinance or resolution of the Police Jury.

An additional ½ cent sales and use tax was approved by the voters on May 3, 1997, for 15 years for the purpose of constructing, improving and resurfacing the public roads and bridges in the parish.

**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:	Current (further classified by function)
	Debt Service
	Capital Outlay

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 reallocation 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.

**NOTE 2. – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

By its nature as a local government unit, the Police Jury is subject to various federal, state, and local laws and contractual regulations. An analysis of the Police Jury's compliance with significant laws and regulations and demonstration of its stewardship over Police Jury resources follows.

**POINTE COUPEE PARISH, LOUISIANA  
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**2.A. FUND ACCOUNTING REQUIREMENTS**

The Police Jury complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the Police Jury include the following:

Fund	Required By
Criminal Court Fund	State Law
Fire Protection District No. 1	State Law
Fire Protection District No. 2	State Law
Weatherization Fund	Grant Agreement
Scott Civic Center	Joint Venture Agreement
Road Construction	Bond Indenture
Pointe Coupee Parish Natural Gas System	Bond Indenture & Local Ordinance
Gas Utility District No. 2 of Pointe Coupee Parish	Local Ordinance
Pointe Coupee Parish Waterworks District No. 1	Bond Indenture & Local Ordinance
Waterworks District No. 2 of Pointe Coupee Parish	Bond Indenture & Local Ordinance
Pointe Coupee Parish Sewerage District No. 1	Bond Indenture & Local Ordinance
Pointe Coupee Parish Sewerage District No. 3A	Bond Indenture & Local Ordinance
Multi-Use Center	Bond Indenture
Pointe Coupee Port, Harbor, and Terminal District	State Law

**2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS**

Under state law, the Police Jury may invest in United States bonds, treasury notes and bills, or certificates or time deposits at state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. As reflected in Note 3.A., all deposits were fully insured or collateralized.

**2.C. REVENUE RESTRICTIONS**

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

Revenue Source	Legal Restrictions on Use
Sales Tax	See Note 1.E.
Gas, Water, and Sewer	Debt Service and Utility Operations
Hotel/Motel Tax	Convention and Tourism
CDBG	Grant Program Expenditures
Ad Valorem Tax	Debt Service

For the year ended December 31, 2003, the Police Jury complied, in all material respects, with these revenue restrictions.

**2.D. DEBT RESTRICTIONS AND COVENANTS**

**General Obligation Debt**

Louisiana Revised Statute 39:562, of the Louisiana Constitution, limits the amount of outstanding general obligation bonded debt of the any subdivision for any one of the purposes authorized to 10 percent of the assessed valuation of the taxable property of such subdivision, including both (1) homestead exempt property, which shall be included on the assessment roll for the purposes of calculating debt limitation and (2) nonexempt property, as ascertained by the last assessment for parish,

**POINTE COUPEE PARISH, LOUISIANA  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

municipal, or local purposes prior to delivery of the bonds representing such indebtedness, regardless of the date of the election at which said bonds were approved. For the year ended December 31, 2003, the Police Jury's general obligation debt did not exceed such limitation.

**Other Long-Term Debt**

Except as noted in the following paragraph, as required by the Louisiana Constitution, the Police Jury may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue without first obtaining voter or state bond commission approval. For the year ended December 31, 2003, the Police Jury incurred no such indebtedness.

**Bonds Payable**

The various bond indentures relating to the bond issues contain some restrictions or covenants that are financial related. These include covenants such as debt service coverage requirements and required reserve account balances. For the year ended December 31, 2003, requirements of the various bond indentures has been complied with.

**2.E. FUND EQUITY RESTRICTIONS**

**Deficit Prohibition**

The following individual funds have deficits in unreserved fund balance at December 31, 2003:

<u>Fund</u>	<u>Deficit Amount</u>
Criminal Court	\$ 179,534
Motor Vehicle Handling	18,672

The Criminal Court deficit has been a problem for the last several years. Until the deficit is corrected, the General Fund will advance the necessary funds to cover any deficits. As of December 31, 2003, the General Fund has advanced \$182,888 to cover accumulated deficits.

The deficit in the Detention Center fund occurred as a result of not transferring sufficient budgeted funds from the General Fund. Transfers from the General Fund will be made to cover any deficits.

The deficit in the Motor Vehicle Handling fund occurred as a result of liabilities recorded on the construction of a building to house the motor vehicle office of the state. Transfers from the General Fund will be made to cover any deficits.

**NOTE 3. – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

**3.A. CASH AND INVESTMENTS**

At December 31, 2003, the Police Jury has cash and cash equivalents totaling \$7,730,067 in demand deposit accounts and Louisiana Asset Management Pool (LAMP).

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2003, the Police Jury has \$6,645,741 in demand deposit accounts. These deposits are secured from risk by \$100,000 of federal deposit insurance and \$7,545,595 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.

In addition to the demand deposits, the Police Jury has \$752,153 invested in the Louisiana Asset Management Pool Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.165, the investment in LAMP at December 31, 2003, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**3.B. RESTRICTED ASSETS**

The amounts reported as restricted assets are cash, investments, and accrued interest in various accounts required by the various bond indentures as described in Note 2.D., and amounts held in trust for customer utility meter deposits.

The restricted assets as of December 31, 2003, are as follows:

Meter deposits	\$ 968,853
Current debt service	80,134
Future debt service	139,287
Depreciation and contingency	284,612
Construction accounts	19,705
Totals	<u>\$ 1,492,591</u>

**3.C. DUE FROM/TO OTHER GOVERNMENTAL UNITS**

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

A summary of receivables as of December 31, 2003, follows:

State	\$ 203,327
Pointe Coupee Parish Sheriff	13,910
Pointe Coupee Parish Clerk of Court	429
City of New Roads	6,872
Town of Livonia	4,617
	<u>\$ 229,155</u>

A summary of payables as of December 31, 2003, follows:

Pointe Coupee Parish Sheriff	\$ 41,447
Pointe Coupee Parish Health Service District	40,000
	<u>\$ 81,447</u>

**3.D. DUE TO/FROM OTHER FUNDS**

As at December 31, 2003, the amounts due to/from other funds is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Criminal Court	\$ 138,618
General Fund	Water District No. 2	87,000
General Fund	Sewer District No. 3A	23,546
Sales Tax Special	Sewer District No. 1	2,300
General Fund	Sales Tax No. 2	74,495
Gas Utility District No. 2	Sewer District No. 3A	9,898
Gas Utility District No. 2	Solid Waste	15,729
		<u>\$ 351,586</u>

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**3.E. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2003, was as follows:

	1-1-2003	Additions	Deletions	12-31-2003
<b>Governmental activities:</b>				
Land	\$ 767,213			\$ 767,213
Buildings	6,498,845			6,498,845
Improvements	392,411			392,411
Infrastructure	819,479			819,479
Machinery and equipment	4,415,459	249,323		4,664,782
<b>Totals at historical cost</b>	<b>12,893,407</b>	<b>249,323</b>	<b>0</b>	<b>13,142,730</b>
<b>Less accumulated depreciation</b>				<b>0</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 12,893,407</b>	<b>\$ 249,323</b>	<b>\$ 0</b>	<b>\$ 13,142,730</b>
<b>Business-type activities:</b>				
Land	\$ 215,120			\$ 215,120
Buildings	1,868,617			1,868,617
Improvements	15,536,095			15,536,095
Machinery and equipment	984,787	127,204		1,111,991
Computer equipment & furniture	110,120			110,120
Construction in progress	0			0
<b>Total at historical cost</b>	<b>18,714,739</b>	<b>127,204</b>	<b>0</b>	<b>18,841,943</b>
<b>Less accumulated depreciation</b>	<b>(6,682,456)</b>	<b>(513,501)</b>		<b>(7,195,957)</b>
<b>Business-type capital assets, net</b>	<b>\$ 12,032,283</b>	<b>\$ (386,297)</b>	<b>\$ 0</b>	<b>\$ 11,645,986</b>

**3.F. LONG-TERM DEBT**

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amount to be repaid from business-type activities.

**Governmental Activities:**

As of December 31, 2003, the governmental long-term debt of the financial reporting entity consisted of the following:

**General Obligation Bonds:**

\$4,805,000 Road Improvement Refunding Bonds, dated January 1, 2003, due in annual installments at various amounts (including interest) through September 1, 2012; interest at various rates \$ 4,580,000

\$275,000 Recreation Certificates of Indebtedness, dated July 16, 1999, due in annual installments at various amounts (including interest) through May 1, 2009; interest at various rates 177,000

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Capital Lease Obligations:**

Lease dated October 25, 1999, for a 460 Badger excavator, payable in monthly installments of \$2,831.16, for sixty months commencing on November 25, 1999 with final payment due October 25, 2004	27,669
Lease dated June 3, 2000, for two John Deere Tractors, payable in monthly Installments of \$2,773.81, for sixty months commencing on July 20, 2000 with final payment due June 20, 2005	47,484
Lease dated June 6, 2000, for a John Deere 270L Excavator, payable in monthly Installments of \$2,878.36, for eight-four months commencing on August 11, 2000 with final payment due July 11, 2007	110,198
Lease dated July 10, 2001, for a John Deere 270LC Excavator payable in monthly Installments of \$3,507.98, for eighty-four months commencing on August 10, 2001 With final payment due July 10, 2008	172,674
Lease dated October 1, 1997, for a fire truck payable in annual installments with interest paid semi-annually at the rate of 6.5% until April 1, 2007	69,000
Lease dated November 22, 2001, for a fire truck payable in annual installments of \$56,157.40, at the rate of 5.29% until November 22, 2008	241,196

**Accrued Compensated Absences:**

Noncurrent portion	130,962
<b>Total Governmental Activity Debt</b>	<b><u>\$ 5,556,183</u></b>

**Business-type Activities:**

As of December 31, 2003, the long-term debt payable from proprietary fund resources consisted of the following:

**General Obligation Bonds:**

\$750,000 Waterworks Improvement Bonds of Waterworks District No. 1 of Pointe Coupee Parish, Louisiana, dated October 24, 1986; due in annual installments of \$55,733 through October 24, 2026, interest at 6.875%	\$ 627,823
\$96,000 U.S. Department of Agriculture - RUS, Sewer District No. 1, issued August 18, 1978, due in annual installments of \$5,642 (including interest) through August 18, 2018; interest at 5%	58,290
\$16,500 U.S. Department of Agriculture - RUS Sewer District No. 3A, issued March 3, 1988, due in annual installments of \$1,163 (including interest) through February 28, 2029; interest at 6.375%	14,407
\$780,000 U.S. Department of Agriculture - RUS, Multi-Use Center, issued May 1, 1995, due in annual installments of \$51,768 (including interest) through May 1, 2026; interest at 5.25%	613,400
\$79,000 U.S. Department of Agriculture - RUS Multi-Use Center, issued May 1, 1995, due in annual installments of \$5,172 (including interest) through May 1, 2026; interest at 5.125%	61,801

**POINTE COUPEE PARISH, LOUISIANA**  
**POLICE JURY**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

<b>Revenue Bonds:</b>	
\$1,018,000 Waterworks Revenue Bonds of Waterworks District No. 1 of Pointe Coupee Parish, Louisiana, dated October 24, 1986; due in annual installments of \$75,648, through October 24, 2026; interest at 6.875%	852,158
\$451,300 Waterworks Revenue Bonds of Waterworks District No. 2 of Pointe Coupee Parish, Louisiana, dated April 3, 1989; due in annual installments of \$31,279.26 beginning April 3, 1992 through April 3, 2029; interest at 6.25%	396,752
\$700,000 U.S. Department of Agriculture - RUS, Sewer District No. 1, issued August 18, 1978, due in annual installments of \$41,136 (including interest) through August 18, 2018; interest at 5%	425,834
\$157,000 U.S. Department of Agriculture - RUS, Sewer District No. 1, issued June 1, 2000, due in monthly installments of \$713 (including interest) through May 1, 2040, interest at 4.5%	153,062
\$45,200 U.S. Department of Agriculture - RUS, Sewer District No. 3A, issued March 8, 1988, due in annual installments of \$3,186 (including interest) through February 29, 2029; interest at 6.375%	39,393
\$1,000,000 U.S. Department of Agriculture - RUS, Natural Gas System, issued July 3, 1997, due in annual installments of \$73,800 (including interest) through July 3, 2022; interest at 5.5%	804,072
\$356,000 U.S. Department of Agriculture - RUS, Waterworks District No. 2 of Pointe Coupee issued June 7, 2001, installments not set at this time (including interest); interest at 4.5%	347,379
\$556,000 U.S. Department of Agriculture - RUS, Waterworks District No. 2 of Pointe Coupee Parish, Louisiana, dated April 3, 2001; due in monthly installments of \$2,552.04 beginning May 3, 2001	540,203
\$110,000 U.S. Department of Agriculture - RUS, Waterworks District No. 2 of Pointe Coupee Parish, Louisiana, dated April 3, 2001; due in monthly installments of \$504.90 beginning May 3, 2001	106,874
<b>Accrued Compensated Absences:</b>	
Noncurrent portion	0
Total Indebtedness	<u>\$ 5,041,448</u>

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Changes in Long-Term Debt**

The following is a summary of bond transactions of the Police Jury for the year ended December 31, 2003:

	January 1, 2003	Additions	Redemptions	December 31, 2003
<b>Governmental Activities:</b>				
General obligation bonds	\$ 5,223,000	\$ 4,805,000	\$ (5,271,000)	\$ 4,757,000
Capital lease obligations	750,438		(82,217)	668,221
Accrued compensated absences	274,827		(143,865)	130,962
<b>Total General Long-Term Debt</b>	<b>\$ 6,248,265</b>	<b>\$ 4,805,000</b>	<b>\$ (5,497,082)</b>	<b>\$ 5,556,183</b>
<b>Business-type Activities:</b>				
General obligation bonds	\$ 1,415,552		\$ (39,831)	\$ 1,375,721
Revenue bonds	3,747,544		(81,817)	3,665,727
Accrued compensated absences	0			0
	<b>\$ 5,163,096</b>	<b>\$ 0</b>	<b>\$ (121,648)</b>	<b>\$ 5,041,448</b>

**Annual Debt Service Requirements**

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2003, excluding compensated absences, are as follows:

Year Ending 12/31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2004	\$ 592,801	\$ 249,116	\$ 132,627	\$ 219,482
2005	650,266	180,955	157,068	195,041
2006	674,150	162,722	163,284	188,825
2007	665,512	138,984	169,825	182,284
2008	656,209	119,079	176,203	175,906
2009-2013	2,563,697	247,458	999,899	760,649
2014-2018	226,789	31,940	1,234,191	523,415
2019-2023			883,751	253,040
2024-2028			372,607	60,699
2029-2033			29,298	14,126
2034-2038			35,916	6,864
2039-2043				
	<b>\$ 5,837,362</b>	<b>\$ 1,742,900</b>	<b>\$ 5,163,096</b>	<b>\$ 4,006,483</b>

**NOTE 4. – OTHER NOTES**

**4.A. PENSION PLAN AND RETIREMENT COMMITMENTS**

**Plan Description** Substantially all employees of the Pointe Coupee Parish Police Jury are members of the Parochial Employees' Retirement System of Louisiana ("System"), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Police Jury are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire -

- At or after age 60 with at least 10 years of credited service,
- At or after age 55 with 25 years of credited service, or
- At any age with at least 30 years of credited service

are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service. However, for those employees who are members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1% of final-average salary plus \$24 for each year of supplemental plan only service earned before January 1, 1980, plus 3% of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of credited service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

**Funding Policy** Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Pointe Coupee Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 7.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Pointe Coupee Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Pointe Coupee Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2003, 2002, and 2001, were \$125,090, \$119,812, and \$114,423, respectively, equal to the required contributions for each year.

#### **4.B. POST-RETIREMENT BENEFITS**

The Police Jury provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Police Jury's employees become eligible for those benefits if they reach normal retirement age while working for the Police Jury. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the retirees and by the Police Jury. The Police Jury recognizes the cost of providing retiree health care (Police Jury's portion of premiums is 50%) as an expenditure when paid, which was \$26,053 for the year ended December 31, 2003. The retirees pay 100% of the cost of the life insurance premiums.

POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**4.C. RISK MANAGEMENT**

The Police Jury is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The Police has purchased various insurance policies to cover such risks. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Police Jury. Settled claims have not exceeded this insurance coverage in any of the past three years.

**4.D. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Police Jury's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**4.E. CRIMINAL COURT FUND**

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the parish General Fund. However, since the Criminal Court Fund had a fund deficit at December 31, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, and 2003, no transfers were required.

**4.F. UTILITIES BILLED BY OTHER GOVERNMENTAL UNITS**

The Pointe Coupee Parish Police Jury has entered into several contracts with local governmental entities to bill utility services used by their customers. In return the entity receives a billing fee which is deducted by the entities when funds are remitted.

**4.G. CENTRALIZED COLLECTION AGENCY AGREEMENT**

In accordance with Paragraph (B)(1) of Section 3 of Article VII of the Constitution of the State of Louisiana, the Police Jury entered into an agreement on May 20, 1992 with all of the sales and use taxing authorities of the Parish of Pointe Coupee designating the Sales Tax Department of the Pointe Coupee Parish Police Jury as the single tax collection entity. The agreement is effective as of July 1, 1992.

**4.H. RELATED PARTY TRANSACTIONS**

Some of the more significant related party transactions (disbursement to component units) during the year ended December 31, 2003, were as follows:

False River Air Park Commission	\$ <u>34,626</u>
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**4.I. LITIGATION AND CLAIMS**

At December 31, 2003, the Police Jury is defendant in several pending lawsuits filed in the 18th Judicial District Court. Although the suits are still pending, the Police Jury denies any liability and is actively defending its position. Although management has not received a legal opinion on the possible outcome of these lawsuits from its legal counsel, it is the opinion of management that the disposition of these matters will not have a material adverse effect on the financial position of the Police Jury.

**POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4.J. COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to Police Jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the Police Jury has elected the monthly payment method of compensation. Under this method, the president receives \$900 per month and the other jurors receives \$800 per month. Compensation paid to the Police Jurors is as follows:

Owen J. Bello, President	\$ 10,800
Ronald Saizon	3,600
Kathleen Saizon	6,000
Christopher Battley	8,800
Gerry Battley	800
Joseph Bergeron, Sr.	9,600
Melanie Bueche	9,600
Clement Guidroz	9,600
Dudley Jarreau	9,600
Clifford Nelson	9,600
Eugene Serio	9,600
Mix Vosburg	9,600
Juliet Williams	9,600
Russell Young	9,600
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	\$ 116,400

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## **Required Supplementary Information**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board (GASB) but are not considered a part of the basic financial statements. Such information includes:

- **Budgetary Comparison Schedules – General Fund**

**POINTE COUPEE PARISH, LOUISIANA**  
**POLICE JURY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 747,827	\$ 756,709	\$ 768,042	11,333
Intergovernmental	1,015,056	1,052,550	1,046,257	(6,293)
Charges for services	62,520	75,534	31,141	(44,393)
Licenses and permits	159,265	184,710	175,697	(9,013)
Investment income	36,700	24,033	21,960	(2,073)
Use of property	357,995	411,600	411,639	39
Miscellaneous	29,547	45,681	45,769	88
<b>Total Revenues</b>	<u>2,408,910</u>	<u>2,550,817</u>	<u>2,500,505</u>	<u>(50,312)</u>
<b>Expenditures</b>				
<b>Current -</b>				
General government	1,409,330	1,630,163	1,496,398	133,765
Public safety	244,253	252,704	250,267	2,437
Culture and recreation	76,779	89,764	84,200	5,564
Economic development	12,912	13,600	13,520	80
<b>Total Expenditures</b>	<u>1,743,274</u>	<u>1,986,231</u>	<u>1,844,385</u>	<u>141,846</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>665,636</u>	<u>564,586</u>	<u>656,120</u>	<u>91,534</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(569,291)	(693,600)	(487,258)	206,342
<b>Total Other Financing Sources (Uses)</b>	<u>(569,291)</u>	<u>(693,600)</u>	<u>(487,258)</u>	<u>206,342</u>
<b>Net Change in Fund Balances</b>	96,345	(129,014)	168,862	297,876
<b>Fund Balances – Beginning</b>	<u>632,325</u>	<u>618,538</u>	<u>1,635,214</u>	<u>1,016,676</u>
<b>Fund Balances – Ending</b>	<u>\$ 728,670</u>	<u>\$ 489,524</u>	<u>\$ 1,804,076</u>	<u>\$ 1,314,552</u>

POINTE COUPEE PARISH, LOUISIANA  
POLICE JURY

OTHER SUPPLEMENTARY SCHEDULE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2003

The Pointe Coupee Parish Police Jury is indebted to the U.S. Department of Agriculture for loans as follows:

Natural Gas System	
\$1,000,000 loan issued July 3, 1997	\$ 804,072
Waterworks District No. 1 -	
\$1,018,000 bonds issued October 24, 1986	852,158
\$750,000 bonds issued October 24, 1986	627,823
Waterworks District No. 2 -	
\$451,300 bonds issued April 3, 1989	396,752
\$356,000 loan issued June 7, 2001	347,379
\$556,000 loan issued April 3, 2001	540,203
\$110,000 loan issued April 3, 2001	106,874
Sewer District No. 1 -	
\$96,000 loan issued August 18, 1978	58,290
\$700,000 loan issued August 18, 1978	425,834
\$157,000 loan issued June 1, 2000	153,062
Sewer District No. 3A -	
\$16,500 loan issued March 3, 1988	14,407
\$45,200 loan issued March 8, 1988	39,393
Multi-Use Center -	
\$780,000 loan issued May 1, 1995	613,400
\$79,000 loan issued May 1, 1995	61,801

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**Other Reports Required By**  
**GOVERNMENT AUDITING STANDARDS**  
**and**  
**OMB Circular A-133**

The following pages contain a report on compliance with laws and regulations and on internal controls as required by Government Auditing Standards, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.

A report on compliance with requirements of laws, regulations, contracts, and grants applicable to each major program and internal control as required by U.S. Office of Management and Budget (OMB) Circular A-133. In conducting an audit in accordance with standards, this report discloses any instances of noncompliance with requirements of each major program as well as any reportable conditions and/or material weakness in internal control over those major programs.

*George F. Delaune*

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

**Members of the Police Jury  
Pointe Coupee Parish, Louisiana**

I have audited the primary government financial statements of POINTE COUPEE PARISH, LOUISIANA (the "Police Jury"), as of and for the year ended December 31, 2003, and have issued my report thereon dated September 3, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Police Jury's primary government financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide* which is described in the accompanying schedule of findings and questioned costs as item 2003-1 and 2003-2.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Police Jury's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Police Jury's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2003-3 and 2003-4.

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 primary government 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. However, I believe the reportable conditions described above are material weaknesses.

This report is intended solely for the information and use of management, others within the organization, federal awarding agencies and state pass-through entities, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*George F. Delaune, CPA*

September 3, 2004

# George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT  
(A Professional Corporation)

Practice Limited to Governmental Accounting, Auditing and Financial Reporting

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Members of the Police Jury  
Pointe Coupee Parish, Louisiana

### Compliance

I have audited the compliance of POINTE COUPEE PARISH, LOUISIANA (the "Police Jury") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Police Jury's management. My responsibility is to express an opinion on Police Jury's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Police Jury's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Police Jury's compliance with those requirements.

In my opinion, the Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

### Internal Control Over Compliance

The management of the Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Police Jury's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to

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

This report is intended solely for the information and use of management, others within the organization, federal awarding agencies and state pass-through entities, and the Legislative Auditor for the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. However this report is a matter of public record, and its distribution is not limited.

*George F. Delaune, CPA*

September 3, 2004

**POINTE COUPEE PARISH POLICE JURY  
NEW ROADS, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2003**

**I. SUMMARY OF AUDIT RESULTS**

- A. The auditor's report expresses a qualified opinion on the basic financial statements of Pointe Coupee Parish, Louisiana.
- B. Two reportable conditions were disclosed during the audit of the basic financial statements.
- C. Two instances of noncompliance were disclosed during the audit of the basic financial statements.
- D. There are no reportable conditions disclosed during the audit of the major federal award programs.
- E. The auditor's report on compliance for the major federal award programs for the Pointe Coupee Parish Police Jury expresses an unqualified opinion.
- F. The programs tested as major programs included:
  - 1. USDA/RUS – CFDA No. 10.760
- G. The threshold for distinguishing Types A and B programs was \$300,000.
- H. The Pointe Coupee Parish Police Jury was determined to be a low-risk auditee.

**II. FINDINGS — FINANCIAL STATEMENTS AUDIT**

**Noncompliance - Internal Control**

**2003-1 Capital Assets for Governmental Activities**

**Condition**

A listing of capital assets used in governmental activities in accordance with GASB 34 was not available; consequently, accumulated depreciation at December 31, 2003 and depreciation expense for year 2003 was not recorded in the government-wide financial statements. This condition was reported also in the prior year audit

**Cause**

The listing of capital assets used in governmental activities was computerized. When software updates were installed during the year, the data file containing this information was lost. The backup files were corrupted and could not be retrieved. This problem was not detected until 2003. Attempts to re-computerize the listing were not completed.

**Recommendation**

GASB 34 requires the recording of capital assets in the basic financial statements. Management should reconstructed the history of these assets and compute depreciation as required.

**Noncompliance -**

**2003-2      Audit was not Completed within Six Months**

**Condition**

Louisiana Revised Statutes requires the audit to be completed and submitted to the Legislative Auditor within six months after the close of the fiscal year.

**Cause**

The auditor was in the process of completing the audit when items 2003-3 and 2003-4 caused additional investigation.

**Effect**

The additional time required to investigate the allegations in items 2003-3 and 2003-4 caused severe time constraints on the auditor. In addition, the auditor's computer system was hijacked by a virus and the report files were damaged and had to be redone.

**Recommendation**

Improved audit planning should be discussed with the client prior to the next audit.

**Internal Control -**

**2003-3      Theft of Funds**

**Condition**

An employee in charge of issuing building permits admitted to kiting funds over the past two years.

**Cause**

Internal control procedures required the clerk to only accept checks; but management did not have procedures in place to monitor the controls to ensure they were being complied with.

**Effect**

An investigation in the matter revealed that approximately \$3,000 was stolen over a two year period. The clerk was immediately dismissed, charged with theft by the District Attorney, and claims were filed with the bonding company.

**Recommendation**

Management must monitor all controls to ensure that employees are complying with procedures.

**Internal Control -**

**2003-4      Use of Fuel Credit Cards**

**Condition**

The employees assigned vehicles were given a credit card to purchase fuel as needed and a juror suspected that employees were able to purchase fuel for their personal use.

**Cause**

Internal control procedures were not designed to inspect usage over time.

**Effect**

Fuelman sends a bi-weekly invoice which reports usage by employee indicating the time and date of service, gallons pumped, odometer readings, and miles per gallon. An inspection of these reports over a year indicated discrepancies in the reports where some vehicles mpg ranged from a low of 4 to a high of 20.

**Recommendation**

After investigating the allegations, management adopted procedures that require all employees to properly enter odometer readings and a requirement that only 87 octane gas be purchased. The supervisors will review the reports on a quarterly basis to ensure that employees are complying with the new guidelines.

**III. FINDINGS AND QUESTIONED COSTS –  
MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

POINTE COUPEE PARISH POLICE JURY  
NEW ROADS, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2002

Finding 2002-1 was not corrected and reported again as 2003-1.

# **Pointe Coupee Parish Police Jury**

160 East Main Street  
New Roads, LA 70760

## **CORRECTIVE ACTION PLAN**

October 15, 2004

**Legislative Auditor  
State of Louisiana**

Pointe Coupee Parish Police Jury respectfully submits the following corrective action plan for the year ended December 31, 2003.

Name and address of independent public accounting firm: George F. Delaune, CPA, APC; 7663 Anchor Drive; Ventress, LA 70783-4120.

Audit period: January 1, 2003 to December 31, 2003

The findings from the December 31, 2003, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Section I of the schedule, Summary of Audit Results, does not include findings and is not addressed.

## **II FINDINGS — FINANCIAL STATEMENTS AUDIT**

### **Noncompliance - Internal Control**

#### **2003-1 Capital Assets for Governmental Activities**

##### **Condition**

A listing of capital assets used in governmental activities in accordance with GASB 34 was not available; consequently, accumulated depreciation at December 31, 2003 and depreciation expense for year 2003 was not recorded in the government-wide financial statements. This condition was reported also in the prior year audit

##### **Action Taken**

Management has begun the re-computerization of assets and should be completed by the 2004 audit.

### **Noncompliance -**

#### **2003-2 Audit was not Completed within Six Months**

##### **Condition**

Louisiana Revised Statutes requires the audit to be completed and submitted to the Legislative Auditor within six months after the close of the fiscal year.

### **Action Taken**

Problems encountered with this year's audit has been discussed with the auditor and we feel that the audit planning process should be smoother.

### **Internal Control -**

#### **2003-3 Theft of Funds**

### **Condition**

An employee in charge of issuing building permits admitted to kiting funds over the past two years.

### **Action Taken**

We have re-instituted the procedures of not accepting cash and the building permit receipts are compared to the checks by another employee before the deposit is made.

### **Internal Control -**

#### **2003-4 Use of Fuel Credit Cards**

### **Condition**

The employees assigned vehicles were given a credit card to purchase fuel as needed and a juror suspected that employees were able to purchase fuel for their personal use.

### **Action Taken**

We have taken the following corrective action which should improve the monitoring process. Procedures were instituted that requires all employees to properly enter odometer readings and a requirement that only 87 octane gas be purchased. On a quarterly basis supervisors will review the reports to ensure compliance with the procedures.

If the Legislative Auditor has questions regarding this plan, please call David Cifreo, Secretary-Treasurer at (225) 638-9556.