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TOWN OF PORT BARRE, LOUISIANA

Financial Report

Year Ended September 30, 2005

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

Release Date 2-1-2006

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INDEPENDENT AUDITORS' REPORT

The Honorable John Fontenot, Mayor,
and Members of the Board of Aldermen
Town of Port Barre, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Port Barre, Louisiana, as of and for the year ended September 30, 2005, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Port Barre, Louisiana, as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 15, 2005 on our consideration of the Town of Port Barre's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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The required supplementary information on pages 38 through 40 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Port Barre's basic financial statements. The other supplementary information on pages 43 through 55 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town of Port Barre, Louisiana. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the other supplementary information. However, we did not audit the information and express no opinion on it. The prior year comparative information on the other supplementary information has been derived from the Town of Port Barre, Louisiana's 2004 financial statements, which were not audited by us and on which we expressed no opinion.

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

Lafayette, Louisiana
December 15, 2005

BASIC FINANCIAL STATEMENTS

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Assets
September 30, 2005

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 672,278	\$ 239,269	\$ 911,547
Receivables, net	39,614	79,103	118,717
Internal balances	(70,574)	70,574	-
Due from other governmental units	<u>11,149</u>	<u>-</u>	<u>11,149</u>
Total current assets	<u>652,467</u>	<u>388,946</u>	<u>1,041,413</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	247,379	247,379
Capital assets:			
Land and construction in progress	101,550	15,292	116,842
Other capital assets, net	<u>1,046,657</u>	<u>4,438,367</u>	<u>5,485,024</u>
Total noncurrent assets	<u>1,148,207</u>	<u>4,701,038</u>	<u>5,849,245</u>
Total assets	<u>1,800,674</u>	<u>5,089,984</u>	<u>6,890,658</u>
LIABILITIES			
Current liabilities:			
Accounts, salaries and other payables	19,616	39,304	58,920
Capital lease payable	37,704	-	37,704
Bonds and certificates payable	60,000	43,563	103,563
Accrued interest	<u>15,986</u>	<u>2,814</u>	<u>18,800</u>
Total current liabilities	<u>133,306</u>	<u>85,681</u>	<u>218,987</u>
Noncurrent liabilities:			
Customers' deposits	-	63,035	63,035
Capital lease payable	28,571	-	28,571
Bonds and certificates payable	<u>610,000</u>	<u>568,680</u>	<u>1,178,680</u>
Total noncurrent liabilities	<u>638,571</u>	<u>631,715</u>	<u>1,270,286</u>
Total liabilities	<u>771,877</u>	<u>717,396</u>	<u>1,489,273</u>
NET ASSETS			
Invested in capital assets, net of related debt	411,932	3,869,687	4,281,619
Restricted for debt service	119,346	137,967	257,313
Unrestricted	<u>497,519</u>	<u>364,934</u>	<u>862,453</u>
Total net assets	<u>\$ 1,028,797</u>	<u>\$ 4,372,588</u>	<u>\$ 5,401,385</u>

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Activities

For the Year Ended September 30, 2005

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 145,120	\$ 64,523	\$ -	\$ -	\$ (80,597)	\$ -	\$ (80,597)
Public safety:							
Police	674,516	667,471	-	4,891	(2,154)	-	(2,154)
Streets	220,828	-	-	-	(220,828)	-	(220,828)
Culture and recreation	30,534	-	-	10,400	(20,134)	-	(20,134)
Interest on long-term debt	45,665	-	-	-	(45,665)	-	(45,665)
Total governmental activities	<u>1,116,663</u>	<u>731,994</u>	<u>-</u>	<u>15,291</u>	<u>(369,378)</u>	<u>-</u>	<u>(369,378)</u>
Business-type activities:							
Gas	324,213	359,535	-	-	-	35,322	35,322
Water	251,067	284,046	-	-	-	32,979	32,979
Sewerage	331,796	211,319	-	-	-	(120,477)	(120,477)
Total business-type activities	<u>907,076</u>	<u>854,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,176)</u>	<u>(52,176)</u>
Total	\$ 2,023,739	\$ 1,586,894	\$ -	\$ 15,291	(369,378)	(52,176)	(421,554)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					44,634	-	44,634
Sales and use taxes, levied for general purposes					389,276	-	389,276
Franchise taxes					93,034	-	93,034
Grants and contributions not restricted to specific programs -							
State sources					72,489	-	72,489
Federal sources					14,514	-	14,514
Interest and investment earnings					772	1,471	2,243
Miscellaneous					87,520	-	87,520
Loss on disposal of assets					(7,720)	-	(7,720)
Transfers					(3,451)	3,451	-
Total general revenues and transfers					<u>691,068</u>	<u>4,922</u>	<u>695,990</u>
Change in net assets					321,690	(47,254)	274,436
Net assets - October 1, 2004					707,107	4,419,842	5,126,949
Net assets - September 30, 2005					<u>\$ 1,028,797</u>	<u>\$ 4,372,588</u>	<u>\$ 5,401,385</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

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

Special Revenue Funds

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

1966 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the construction, acquisition, extension, improvement and/or maintenance of drainage facilities, sewer, and sewerage disposal works, streets, sidewalks, waterworks, and garbage collection and disposal facilities of the Town of Port Barre, including the purchase of equipment therefore.

1996 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1.2% sales and use tax. These taxes are dedicated to the construction, maintenance and improvement of public streets of the Town of Port Barre.

Debt Service Funds

1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund

To accumulate monies for payment of \$200,000 Certificates of Indebtedness and \$900,000 Sales Tax Bonds. Debt service is financed from a 1.2% sales and use tax.

Street Improvement Bonds 01/01/87 Fund

To accumulate monies for payment of the \$125,000 Public Improvement serial bonds. Debt service is financed by specific ad valorem tax. The bonds were paid out during the fiscal year ended September 30, 2004.

Capital Projects Fund

To account for the receipt and use of remaining funds from the Town's Street Improvement Bonds 01/01/87 Fund. These funds are dedicated to the construction, maintenance and improvement of public streets of the Town of Port Barre.

Enterprise Fund

Utility Fund -

To account for the provision of gas, water, and sewerage services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF PORT BARRE, LOUISIANA

Balance Sheet
Governmental Funds
September 30, 2005

	General	1966		1996		1996 Sales Tax Bonds and Certificates of Indebtedness		Street Improvement Bonds 01/01/87		Capital Projects	Total
		Sales Tax Special Revenue	Debt Service	Debt Service	Debt Service	Debt Service					
Cash and interest-bearing deposits	\$ 281,604	\$ 66,365	\$ 196,024	\$ 126,645	\$ 1,640	\$ -	\$ -	\$ -	\$ 672,278		
Receivables:											
Taxes	8,023	-	-	-	-	-	-	-	8,023		
Other	31,591	-	-	-	-	-	-	-	31,591		
Due from other funds	9,381	58,482	-	3,000	4,047	-	-	-	74,910		
Due from other governmental units	11,149	-	-	-	-	-	-	-	11,149		
Total assets	<u>\$ 341,748</u>	<u>\$ 124,847</u>	<u>\$ 196,024</u>	<u>\$ 129,645</u>	<u>\$ 5,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 797,951</u>		

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities:											
Accounts payable	\$ 15,313	\$ 462	\$ 3,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,492		
Accrued liabilities	124	-	-	-	-	-	-	-	124		
Due to other funds	23,490	61,274	60,720	-	-	-	-	-	145,484		
Total liabilities	<u>38,927</u>	<u>61,736</u>	<u>64,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,100</u>		
Fund balances -											
Reserved for debt service	-	-	-	129,645	5,687	-	-	-	135,332		
Unreserved	302,821	63,111	131,587	-	-	-	-	-	497,519		
Total fund balances	<u>302,821</u>	<u>63,111</u>	<u>131,587</u>	<u>129,645</u>	<u>5,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>632,851</u>		
Total liabilities and fund balances	<u>\$ 341,748</u>	<u>\$ 124,847</u>	<u>\$ 196,024</u>	<u>\$ 129,645</u>	<u>\$ 5,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 797,951</u>		

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

TOWN OF PORT BARRE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
September 30, 2005

Total fund balances for governmental funds at September 30, 2005		\$ 632,851
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 86,425	
Construction in progress	15,125	
Buildings, net of \$621,940 accumulated depreciation	505,451	
Infrastructure, net of \$466,616 accumulated depreciation	368,254	
Equipment net of \$153,293 accumulated depreciation	<u>172,952</u>	1,148,207
Long-term liabilities at September 30, 2005		
Bonds payable at September 30, 2005	(670,000)	
Capital lease payable	(66,275)	
Accrued interest	<u>(15,986)</u>	<u>(752,261)</u>
Total net assets of governmental activities at September 30, 2005		<u>\$ 1,028,797</u>

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended September 30, 2005

	General	1966 Sales Tax Special Revenue	1966 Sales Tax Special Revenue	1966 Sales Tax Bonds and Certificates of Indebtedness Debt Service	Street Improvement Bonds 01/01/87 Debt Service	Capital Projects	Total
Revenues:							
Taxes	\$ 137,650	\$175,174	\$214,102	\$ -	\$ 18	\$ -	\$ 526,944
Licenses and permits	64,523	-	-	-	-	-	64,523
Intergovernmental	102,294	-	-	-	-	-	102,294
Fines and forfeits	667,471	-	-	-	-	-	667,471
Miscellaneous	87,520	-	68	704	-	-	88,292
Total revenues	<u>1,059,458</u>	<u>175,174</u>	<u>214,170</u>	<u>704</u>	<u>18</u>	<u>-</u>	<u>1,449,524</u>
Expenditures:							
Current -							
General government	95,225	9,845	6,043	-	-	-	111,113
Public safety:							
Police	644,995	-	-	-	-	-	644,995
Highways and streets	-	165,980	25,762	-	-	-	191,742
Culture and recreation	20,039	8,235	-	-	-	-	28,274
Debt service -							
Principal	32,090	-	-	60,000	-	-	92,090
Interest and fiscal charges	3,856	-	-	43,125	-	-	46,981
Capital outlay	105,189	-	-	-	-	65,022	170,211
Total expenditures	<u>901,394</u>	<u>184,060</u>	<u>31,805</u>	<u>103,125</u>	<u>-</u>	<u>65,022</u>	<u>1,285,406</u>
Excess (deficiency) of revenues over expenditures	<u>158,064</u>	<u>(8,886)</u>	<u>182,365</u>	<u>(102,421)</u>	<u>18</u>	<u>(65,022)</u>	<u>164,118</u>
Other financing sources (uses):							
Proceeds from capital lease	48,219	-	-	-	-	-	48,219
Transfers in	-	30,000	-	99,623	-	65,022	194,645
Transfers out	(3,451)	-	(129,623)	-	(65,022)	-	(198,096)
Total other financing sources (uses)	<u>44,768</u>	<u>30,000</u>	<u>(129,623)</u>	<u>99,623</u>	<u>(65,022)</u>	<u>65,022</u>	<u>44,768</u>
Net changes in fund balances	202,832	21,114	52,742	(2,798)	(65,004)	-	208,886
Fund balances, beginning	99,989	41,997	78,845	132,443	70,691	-	423,965
Fund balances, ending	<u>\$ 302,821</u>	<u>\$ 63,111</u>	<u>\$131,587</u>	<u>\$129,645</u>	<u>\$ 5,687</u>	<u>\$ -</u>	<u>\$ 632,851</u>

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

TOWN OF PORT BARRE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2005

Total net changes in fund balances at September 30, 2005 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 208,886
The change in net assets reported for governmental activities in the statement of activities is different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 170,211	
Depreciation expense for the year ended September 30, 2004	<u>(94,874)</u>	75,337
<p>Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable on the statement of net assets</p>		
		92,090
<p>Proceeds from capital lease</p>		
		(48,219)
<p>Because governmental funds do not record fixed assets and accumulated depreciation, any assets disposed of does not affect the statement of revenues, expenses, and changes in fund balances. However, in the statement of activities a gain or loss is shown on assets that are not fully depreciated.</p>		
		(7,720)
<p>Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis</p>		
		<u>1,316</u>
Total changes in net assets at September 30, 2005 per Statement of Activities		<u>\$ 321,690</u>

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Net Assets
Proprietary Fund
September 30, 2005

ASSETS

Current assets:	
Cash	\$ 51,167
Interest-bearing deposits, at cost	188,102
Receivables:	
Accounts receivable	79,103
Due from other funds	<u>70,574</u>
Total current assets	<u>388,946</u>
Noncurrent assets:	
Restricted assets:	
Cash	208,896
Interest -bearing deposits, at cost	38,483
Capital assets:	
Land	15,292
Other capital assets, net of accumulated depreciation	<u>4,438,367</u>
Total noncurrent assets	<u>4,701,038</u>
Total assets	<u>5,089,984</u>

LIABILITIES

Current liabilities:	
Accounts payable	39,224
Other liabilities	80
Payable from restricted assets -	
Revenue bonds	43,563
Accrued interest	<u>2,814</u>
Total current liabilities	<u>85,681</u>
Noncurrent liabilities:	
Customers' deposits	63,035
Revenue bonds and notes payable	<u>568,680</u>
Total noncurrent liabilities	<u>631,715</u>
Total liabilities	<u>717,396</u>

NET ASSETS

Invested in capital assets, net of related debt	3,884,979
Restricted for debt service	137,967
Unrestricted	<u>349,642</u>
Total net assets	<u>\$4,372,588</u>

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Assets -
Proprietary Fund
For the Year Ended September 30, 2005

Operating revenues:	
Charges for services -	
Gas charges	\$ 349,017
Water sales	271,417
Sewer service charges	204,187
Connection charges	5,950
Miscellaneous	<u>24,329</u>
Total operating revenues	<u>854,900</u>
Operating expenses:	
Gas department	323,217
Water department	250,284
Sewerage department	<u>303,641</u>
Total operating expenses	<u>877,142</u>
Operating loss	<u>(22,242)</u>
Nonoperating revenues (expenses):	
Interest income	1,471
Interest expense	<u>(29,934)</u>
Total nonoperating expenses	<u>(28,463)</u>
Loss before transfers	(50,705)
Transfers in	<u>3,451</u>
Change in net assets	(47,254)
Net assets, beginning	<u>4,419,842</u>
Net assets, ending	<u>\$ 4,372,588</u>

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

TOWN OF PORT BARRE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended September 30, 2005

Cash flows from operating activities:	
Receipts from customers	\$ 835,358
Payments to suppliers	(548,812)
Payments to employees	(177,165)
Other receipts	<u>24,329</u>
Net cash provided by operating activities	<u>133,710</u>
 Cash flows from noncapital financing activities:	
Operating transfers from other funds	<u>3,451</u>
 Cash flows from capital and related financing activities:	
Principal paid on revenue bond maturities	(20,958)
Interest and fiscal charges paid on revenue bonds	(29,589)
Net increase in meter deposits	7,311
Acquisition of property, plant and equipment	<u>(31,092)</u>
Net cash used by capital and related financing activities	<u>(74,328)</u>
 Cash flows from investing activities:	
Purchase of interest-bearing deposits	(136,422)
Maturities of interest-bearing deposits	135,221
Interest on investments	<u>1,471</u>
Net cash provided by investing activities	<u>270</u>
 Net increase in cash and cash equivalents	63,103
 Cash and cash equivalents, beginning of period	<u>287,123</u>
 Cash and cash equivalents, end of period	<u>\$ 350,226</u>

(continued)

TOWN OF PORT BARRE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund - (Continued)
 For the Year Ended September 30, 2005

Reconciliation of operating loss to net cash used by
 operating activities:

Operating loss	\$ (22,242)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	134,229
Amortization of bond issuance costs	1,131
Changes in current assets and liabilities:	
Decrease in accounts receivable	4,787
Increase in accounts payable	15,956
Decrease in other liabilities	<u>(151)</u>
Net cash provided by operating activities	<u>\$ 133,710</u>

Reconciliation of cash and cash equivalents per statement
 of cash flows to the balance sheet:

Cash and cash equivalents, beginning of period -

Cash - unrestricted	42,780
Interest-bearing deposits - unrestricted	186,850
Cash - restricted	154,448
Interest-bearing deposits - restricted	38,266
Less: Interest-bearing deposits with a maturity over three months	<u>(135,221)</u>
Total cash and cash equivalents	<u>287,123</u>

Cash and cash equivalents, end of period -

Cash - unrestricted	51,167
Interest-bearing deposits - unrestricted	188,102
Cash - restricted	208,896
Interest-bearing deposits - restricted	38,483
Less: Interest-bearing deposits with a maturity over three months	<u>(136,422)</u>
Total cash and cash equivalents	<u>350,226</u>

Net increase \$ 63,103

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

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Port Barre (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town of Port Barre was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

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

There are no component units over which the Town exercises significant influence.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

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

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

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

All funds of the Town are considered to be major funds and are described below:

Governmental Funds -

General Fund

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

Special Revenue Funds

1966 Sales Tax Fund -

The 1966 Sales Tax Fund is used to account for the receipt and use of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

1999 Sales Tax Fund –

The 1999 Sales Tax Fund is used to account for the proceeds of a 1.2 percent sales and use tax that is legally restricted to expenditures for specific purposes.

Debt Service Funds

1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund -

This fund is used to accumulate monies for payment of \$200,000 Certificates of Indebtedness and \$900,000 Sales Tax Bonds. Debt service is financed from a 1.2% sales and use tax.

Street Improvement Bonds 01/01/87 Fund –

This fund is used to accumulate monies for payment of the \$125,000 Public Improvement serial bonds. Debt service is financed by specified ad valorem tax.

Capital Projects Fund

This fund is used to account for the receipt and use of the remaining funds from the Town's Street Improvement Bonds 01/01/87 Fund.

Proprietary Fund -

Enterprise Fund

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

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

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

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

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

Interfund receivables and payables

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$93,800 at September 30, 2005. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to October 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

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

Buildings	40 years
Equipment	5-15 years
Utility system and improvements	4-50 years
Infrastructure	20-40 years

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

Restricted Assets

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

Long-term debt

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

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

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 principle and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate dependent upon number of years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. Therefore, no liability has been recorded in the accounts as of September 30, 2005.

Equity Classifications

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

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

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales Tax	See Note 3
Water and Sewer Revenue	Debt Service and Utility Operations

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

G. Budget and Budgetary Accounting

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

1. Prior to September 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

H. Capitalization of Interest Expense

It is the policy of the Town of Port Barre to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At September 30, 2005, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Bond Discount and Bond Issue Costs

Bond discount and bond issue costs are being amortized by the straight-line method over the life of the related bond.

J. Use of Estimates

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

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

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

For the year ended September 30, 2005, taxes of 6.65 mills were levied on property with assessed valuations totaling \$5,547,880 and were dedicated as follows:

General corporate purposes	6.65 mills
----------------------------	------------

Total taxes levied were \$36,893. Taxes receivable (including interest and penalties receivable) at September 30, 2005 consisted of the following:

Total receivable	\$11,271
Allowance for uncollectibles	<u>(3,248)</u>
Net receivable	<u>\$ 8,023</u>

(3) Dedication and Restriction of Proceeds and Flow of Funds - Sales and Use Taxes

The Town levies two sales taxes as follows:

- A. Proceeds of a 1966 1% sales and use tax levied by the Town of Port Barre (2005 collections \$175,174) is dedicated for constructing, acquiring, extending, improving and/or maintaining drainage facilities, sewers and sewerage disposal works, streets, sidewalks, waterworks, and garbage collection and disposal facilities of the Town, including the purchase of equipment therefor.

Under the terms of the bond resolution, the proceeds of the special 1% sales and use tax are deposited with the Town's fiscal agent bank in a sales tax fund. After the payment of all reasonable and necessary costs and expenses of collecting the tax, \$1,000 is retained in the sales tax fund for operating expenses.

Any monies remaining in the sales tax fund on the 20th day of each month in excess of the \$1,000 are to be retained for operating capital shall be considered as surplus. The Town may use such surplus for any of the purposes for which the imposition of the tax is authorized.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- B. Proceeds of a 1996 1.2% sales and use tax levied by the Town of Port Barre (2005 collections \$214,102) is dedicated for constructing, maintaining and improving public streets.

Under the terms of the bond resolution, each month, there will be set aside into an account called the "Sales Tax Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments. There shall also be set aside into a "Sales Tax Bond Reserve Fund" an initial deposit of \$79,425, thus accumulating in the reserve account an amount equal to the lesser of the highest combined principal and interest requirements in any succeeding fiscal year. Such amounts may be used only for the payment of maturing bonds and interest on the aforesaid bonds for which sufficient funds are not on deposit in the Revenue Bond Sinking Fund and as to which there would otherwise be default.

(4) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2005, the Town had cash and interest-bearing deposits (book balances) totaling \$1,158,926 as follows:

Demand deposits (non interest-bearing)	\$ 642,485
Interest-bearing demand deposits and savings accounts	114,054
Time deposits	<u>402,387</u>
Total	<u>\$ 1,158,926</u>

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Town or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

TOWN OF PORT BARRE, LOUISIANA
Notes to Basic Financial Statements (Continued)

Deposit balances (bank balances) at September 30, 2005 were secured as follows:

Bank balances	<u>\$1,184,376</u>
Federal deposit insurance	\$ 422,499
Pledged securities	<u>761,877</u>
Total FDIC insurance and pledged securities	<u>\$1,184,376</u>

As of September 30, 2005, the Town's total bank balances were fully insured and collateralized with securities held in the name of the Town by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

(5) Receivables

Receivables at September 30, 2005 of \$118,717 consist of the following:

	General Fund	Utility Fund	Total
Accounts	\$ -	\$ 79,103	\$ 79,103
Taxes:			
Ad valorem taxes	8,023	-	8,023
Franchise taxes	<u>31,591</u>	<u>-</u>	<u>31,591</u>
Totals	<u>\$39,614</u>	<u>\$ 79,103</u>	<u>\$118,717</u>

(6) Due from Other Governmental Units

The total amount due from other governmental units at September 30, 2005 is \$11,149 which consists of \$2,420 and \$2,250 owed from the State of Louisiana for video poker and beer tax revenue, respectively, and \$6,479 for casino revenue earned during the fiscal year ending September 30, 2005.

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at September 30, 2005:

Revenue bond and interest sinking account	\$ 21,443
Revenue bond reserve account	23,737
Revenue bond contingency account	139,164
Customers' deposits	<u>63,035</u>
Total restricted assets	<u>\$247,379</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended September 30, 2005 was as follows:

	Balance 10/01/04	Additions	Deletions	Balance 09/30/05
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 86,425	\$ -	\$ -	\$ 86,425
Construction in progress	-	15,125	-	15,125
Other capital assets:				
Buildings	1,113,391	14,000	-	1,127,391
Infrastructure	756,848	78,022	-	834,870
Equipment	275,451	63,064	12,270	326,245
Totals	<u>2,232,115</u>	<u>170,211</u>	<u>12,270</u>	<u>2,390,056</u>
Less accumulated depreciation:				
Buildings	594,543	27,397	-	621,940
Infrastructure	446,196	20,420	-	466,616
Equipment	110,786	47,057	4,550	153,293
Total accumulated depreciation	<u>1,151,525</u>	<u>94,874</u>	<u>4,550</u>	<u>1,241,849</u>
Governmental activities, capital assets, net	<u>\$1,080,590</u>	<u>\$ 75,337</u>	<u>\$ 7,720</u>	<u>\$1,148,207</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 15,292	\$ -	\$ -	\$ 15,292
Other capital assets:				
Gas system	789,697	-	-	789,697
Water system	1,172,912	16,677	-	1,189,589
Sewer system	4,754,829	-	-	4,754,829
Machinery and equipment	93,821	14,415	-	108,236
Totals	<u>6,826,551</u>	<u>31,092</u>	<u>-</u>	<u>6,857,643</u>
Less accumulated depreciation:				
Gas system	497,046	10,723	-	507,769
Water system	555,140	20,691	-	575,831
Sewer system	1,127,349	99,996	-	1,227,345
Machinery and equipment	90,220	2,819	-	93,039
Total accumulated depreciation	<u>2,269,755</u>	<u>134,229</u>	<u>-</u>	<u>2,403,984</u>
Business-type activities, capital assets, net	<u>\$4,556,796</u>	<u>\$ (103,137)</u>	<u>\$ -</u>	<u>\$4,453,659</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 34,007
Police	29,521
Streets	29,086
Culture and recreation	<u>2,260</u>
Total depreciation expense	<u>\$ 94,874</u>

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

Gas	\$ 13,542
Water	20,691
Sewer	<u>99,996</u>
Total depreciation expense	<u>\$ 134,229</u>

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at September 30, 2005:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 19,438	\$ 39,224	\$ 58,662
Other liabilities	<u>178</u>	<u>80</u>	<u>258</u>
Totals	<u>\$ 19,616</u>	<u>\$ 39,304</u>	<u>\$ 58,920</u>

(10) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2005:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
	<u>General Obligation Bonds and Certificates</u>	<u>Capital Lease</u>	<u>Revenue Bonds</u>
Long-term debt payable, October 1, 2004	\$ 730,000	\$ 50,146	\$661,122
Long-term debt issued	-	48,219	-
Long-term debt retired	<u>(60,000)</u>	<u>(32,090)</u>	<u>(20,958)</u>
Long-term debt payable, September 30, 2005	<u>\$ 670,000</u>	<u>\$ 66,275</u>	<u>\$640,164</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term debt payable at September 30, 2005 is comprised of the following individual issues:

General obligation bonds and certificates of indebtedness:

\$900,000 Sales Tax Bonds, Series 1996; due in annual installments of \$35,000 to \$75,000 through May 1, 2017; interest at 5.2 to 5.9 percent; secured by a dedicated 1.2% sales tax	645,000
\$200,000 Certificates of Indebtedness, Series 1996, due in one final installment of \$25,000 on May 1, 2006; interest at 5.5 percent; secured by a dedicated 1.2% sales tax	<u>25,000</u>
General obligation bonds payable	<u>\$ 670,000</u>

Capital lease:

\$63,660 equipment lease dated February 27, 2004, due in monthly installments of \$1,907, including interest at 5.25%, through January 27, 2007, secured by General Fund revenues	\$ 29,403
\$48,219 equipment lease dated December 16, 2004, due in monthly installments of \$1,452, including interest at 5.30%, through November 16, 2007, secured by General Fund revenues	<u>36,872</u>
Total capital lease payable	<u>\$ 66,275</u>

Revenue bonds:

\$103,000 Utility Revenue Bonds, Series 1998 dated 11/30/98 due in annual installments of \$16,000 through December 1, 2006; interest at 5.0 percent	\$ 32,000
Less: Unamortized bond issuance costs	(436)
Unamortized loss on early retirement of debt	<u>(3,266)</u>
Net water revenue bonds payable	<u>28,298</u>
\$652,000 Sewer revenue bonds dated 07/01/98 due in monthly installments of \$2,960 beginning August 1, 1999 through July 1, 2038; interest rate at 4.5 percent	608,164
Less: Unamortized bond issuance costs	<u>(24,219)</u>
Net sewer revenue bonds payable	<u>583,945</u>
Total net utility revenue bonds payable	<u>\$ 612,243</u>

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The long-term debt is due as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal payments	Interest payments	Principal payments	Interest payments
2006	97,704	40,962	24,324	28,397
2007	64,254	35,963	24,706	27,215
2008	44,317	33,088	9,106	26,415
2009	45,000	30,870	9,525	25,996
2010	50,000	28,350	9,962	25,559
2011-2015	290,000	95,800	57,111	120,494
2016-2020	145,000	12,980	71,491	106,114
2021-2025	-	-	89,492	88,113
2026-2030	-	-	112,026	65,579
2031-2035	-	-	140,233	37,372
2036-2038	-	-	92,188	6,028
Total	<u>\$ 736,275</u>	<u>\$ 278,013</u>	<u>\$ 640,164</u>	<u>\$ 557,282</u>

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

A. Under the terms of the bond indenture on outstanding Utility Revenue Refunding Bonds, Series 1999, dated November 30, 1999, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a "Bond Reserve Fund" the initial sum of \$10,000. The money in the Reserve Fund shall be retained solely for the purpose of paying the principal and interest on the bonds payable from the Sinking Fund as to which there would otherwise be default.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

There shall also be set aside into a "Renewal and Replacement Fund" the initial sum of \$25,000. Thereafter, each month, a sum at least equal to 5% of the gross revenues of the Utilities System Fund for the preceding month shall be deposited into this fund, provided that such sum is available after provision is made for the funds required to pay all reasonable expenses of administration, operation and maintenance of the utility system and the funds required by the Sinking Fund and Reserve Fund. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense, provided that there remains at least \$20,000 on deposit for emergency repairs. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

(12) Employee Retirement

All Town of Port Barre employees participate in the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Town, 7.65% by the employee). The Town's contribution during the years ended September 30, 2005, 2004 and 2003 amounted to \$54,424, \$49,642, and \$47,630, respectively.

(13) Natural Gas Contract

The Town entered into a gas purchase contract with Cypress Gas Pipeline Company with an initial term of January 1, 1992 to January 1, 1996 with provisions to continue beyond January 1, 1996 on a year-to-year basis until either party request termination of the contract. The terms of the contract require the Town to purchase all of its natural gas requirements from Cypress Gas Pipeline Company. During the year ended September 30, 2005, the Town purchased natural gas from Cypress Gas Pipeline Company in the amount of \$192,475. At September 30, 2005, the Town owed \$12,154 for natural gas purchases for the month of September 2005.

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(14) Segment Information for the Enterprise Fund

The Town of Port Barre maintains one enterprise fund with three departments that provide gas, water, and sewerage services. Segment information for the year ended September 30, 2005, was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$359,535</u>	<u>\$284,046</u>	<u>\$ 211,319</u>	<u>\$ 854,900</u>
Operating expenses:				
Depreciation	13,542	20,691	99,996	134,229
Other	<u>309,675</u>	<u>229,593</u>	<u>203,645</u>	<u>742,913</u>
Total operating expenses	<u>323,217</u>	<u>250,284</u>	<u>303,641</u>	<u>877,142</u>
Operating income (loss)	<u>\$ 36,318</u>	<u>\$ 33,762</u>	<u>\$ (92,322)</u>	<u>\$ (22,242)</u>

(15) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended September 30, 2005 follows:

John Fontenot, Mayor	\$12,000
Aldermen:	
Johnny Ardoin	3,750
Richard Mobile	3,750
Polly Pickney	3,750
Gil Savoy, Jr.	3,750
Robert Soileau	<u>3,750</u>
	<u>\$30,750</u>

(16) Risk Management

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

TOWN OF PORT BARRE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(17) Pending Litigation

At September 30, 2005, the Town of Port Barre is involved in several lawsuits. It is the opinion of management and legal counsel that the liability, if any, which might arise from any claims that are not covered by insurance, would not have a material effect on the financial statements.

(18) Prior Year Debt Defeasance

During the fiscal year ended September 30, 1999, the Town issued Utility Revenue Refunding Bonds of \$103,000 to defease the 1986 Utility Revenue Bonds. The proceeds have been used to purchase U.S. Government securities that were placed in a separate irrevocable trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's Enterprise Fund's balance sheet. As of September 30, 2005, the amount of defeased utility revenue debt outstanding but removed from the Enterprise Fund's balance sheet amounted to \$40,000.

(19) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at September 30, 2005:

Due to the General Fund from 1966 Sales Tax Fund for reimbursement for expenditures paid	\$ 6,274
Due to the 1966 Sales Tax Fund from the 1996 Sales Tax Fund for reimbursement for expenditures paid	57,720
Due to the Utility Fund from the General Fund for reimbursement for expenditures paid	16,336
Due to the Utility Fund from the 1966 Sales Tax Fund for reimbursement for expenditures paid	54,238
Other balances	<u>10,916</u>
Total	<u>\$145,484</u>

Summary of balances due from other funds reported in fund financial statements:

Due from other funds, Balance Sheet - Governmental Funds	\$ 74,910
Due from other funds, Statement of Net Assets - Proprietary Funds	<u>70,574</u>
Total	<u>\$145,484</u>

TOWN OF PORT BARRE, LOUISIANA
Notes to Basic Financial Statements (Continued)

B. Transfers

Transfers consisted of the following at September 30, 2005:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ -	\$ 3,451
1966 Sales Tax Special Revenue Fund	30,000	-
1996 Sales Tax Special Revenue Fund	-	129,623
1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund	99,623	-
Street Improvement Bonds 01/01/87 Debt Service Fund	-	65,022
Capital Projects Fund	65,022	-
Proprietary Fund:		
Enterprise Fund	3,451	-
Total	<u>\$ 198,096</u>	<u>\$ 198,096</u>

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

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule
Year Ended September 30, 2005

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 123,000	\$ 126,800	\$ 137,650	\$ 10,850
Licenses and permits	62,900	64,500	64,523	23
Intergovernmental	74,500	89,839	102,294	12,455
Fines and forfeits	325,000	671,600	667,471	(4,129)
Miscellaneous	77,600	93,681	87,520	(6,161)
Total revenues	<u>663,000</u>	<u>1,046,420</u>	<u>1,059,458</u>	<u>13,038</u>
Expenditures:				
Current -				
General government	90,550	93,162	95,225	(2,063)
Public safety - police	521,461	685,018	644,995	40,023
Culture and recreation	13,437	17,432	20,039	(2,607)
Capital outlay	50,000	104,230	105,189	(959)
Debt service:				
Principal retirement	-	30,742	32,090	(1,348)
Interest and fiscal charges	-	2,142	3,856	(1,714)
Total expenditures	<u>675,448</u>	<u>932,726</u>	<u>901,394</u>	<u>31,332</u>
Excess (deficiency) of revenues over expenditures	<u>(12,448)</u>	<u>113,694</u>	<u>158,064</u>	<u>44,370</u>
Other financing sources (uses):				
Proceeds from capital lease	-	48,000	48,219	219
Transfers in	50,000	-	-	-
Transfers out	-	-	(3,451)	(3,451)
Total other financing sources	<u>50,000</u>	<u>48,000</u>	<u>44,768</u>	<u>(3,232)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	37,552	161,694	202,832	41,138
Fund balance, beginning	<u>99,989</u>	<u>99,989</u>	<u>99,989</u>	<u>-</u>
Fund balance, ending	<u>\$ 137,541</u>	<u>\$ 261,683</u>	<u>\$ 302,821</u>	<u>\$ 41,138</u>

TOWN OF PORT BARRE, LOUISIANA
1966 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
Year Ended September 30, 2005

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$151,000	\$175,650	\$175,174	\$ (476)
Expenditures:				
Current -				
General government:				
Professional fees	3,500	3,900	3,000	900
Miscellaneous	1,550	1,757	6,845	(5,088)
Total general government	5,050	5,657	9,845	(4,188)
Highways and streets:				
Salaries	88,000	109,140	100,857	8,283
Electricity for street lights	25,000	6,251	6,251	-
Maintenance and materials	14,000	28,000	29,331	(1,331)
Street materials and supplies	12,000	6,100	5,998	102
Group insurance	15,000	14,128	12,951	1,177
Payroll taxes	7,900	8,145	7,992	153
Miscellaneous	5,300	5,300	2,600	2,700
Total highways and streets	167,200	177,064	165,980	11,084
Culture and recreation	6,700	8,500	8,235	265
Total expenditures	178,950	191,221	184,060	7,161
Deficiency of revenues over expenditures	(27,950)	(15,571)	(8,886)	6,685
Other financing sources (uses):				
Transfers in	75,000	30,000	30,000	-
Transfers out	(35,000)	-	-	-
Total other financing sources	40,000	30,000	30,000	-
Excess of revenues and other financing sources over expenditures and other financing uses	12,050	14,429	21,114	6,685
Fund balance, beginning	41,997	41,997	41,997	-
Fund balance, ending	\$ 54,047	\$ 56,426	\$ 63,111	\$ 6,685

TOWN OF PORT BARRE, LOUISIANA
1996 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
Year Ended September 30, 2005

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 185,000	\$ 213,225	\$ 214,102	\$ 877
Interest	-	68	68	-
Total revenues	\$ 185,000	\$ 213,293	\$ 214,170	\$ 877
Expenditures:				
Current -				
General government:				
Professional fees	3,500	3,900	3,900	-
Miscellaneous	1,770	2,148	2,143	5
Total general government	5,270	6,048	6,043	5
Highways and streets:				
Electricity for lights	-	17,224	18,788	(1,564)
Street materials and supplies	-	6,980	6,974	6
Total general government	-	24,204	25,762	(1,558)
Total expenditures	5,270	30,252	31,805	(1,553)
Excess of revenues over expenditures	179,730	183,041	182,365	(676)
Other financing uses:				
Transfers out	(175,000)	(135,000)	(129,623)	(5,377)
Excess of revenues over expenditures and other financing uses	4,730	48,041	52,742	4,701
Fund balance, beginning	78,845	78,845	78,845	-
Fund balance, ending	\$ 83,575	\$ 126,886	\$ 131,587	\$ 4,701

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

TOWN OF PORT BARRE, LOUISIANA

Comparative Statement of Net Assets
September 30, 2005
With Comparative Totals for September 30, 2004

	2005			2004 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 672,278	\$ 239,269	\$ 911,547	\$ 697,085
Receivables, net	39,614	79,103	118,717	113,976
Internal balances	(70,574)	70,574	-	-
Due from other governmental units	11,149	-	11,149	4,329
Total current assets	<u>652,467</u>	<u>388,946</u>	<u>1,041,413</u>	<u>815,390</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	247,379	247,379	192,714
Capital assets:				
Land and construction in progress	101,550	15,292	116,842	101,717
Capital assets, net	<u>1,046,657</u>	<u>4,438,367</u>	<u>5,485,024</u>	<u>5,535,669</u>
Total noncurrent assets	<u>1,148,207</u>	<u>4,701,038</u>	<u>5,849,245</u>	<u>5,830,100</u>
Total assets	<u>1,800,674</u>	<u>5,089,984</u>	<u>6,890,658</u>	<u>6,645,490</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	19,616	39,304	58,920	30,830
Capital lease payable	37,704	-	37,704	20,742
Bonds and certificates payable	60,000	43,563	103,563	80,958
Accrued interest	<u>15,986</u>	<u>2,814</u>	<u>18,800</u>	<u>20,362</u>
Total current liabilities	<u>133,306</u>	<u>85,681</u>	<u>218,987</u>	<u>152,892</u>
Noncurrent liabilities:				
Customers' deposits	-	63,035	63,035	55,724
Capital lease payable	28,571	-	28,571	29,404
Bonds and certificates payable	<u>610,000</u>	<u>568,680</u>	<u>1,178,680</u>	<u>1,280,521</u>
Total noncurrent liabilities	<u>638,571</u>	<u>631,715</u>	<u>1,270,286</u>	<u>1,365,649</u>
Total liabilities	<u>771,877</u>	<u>717,396</u>	<u>1,489,273</u>	<u>1,518,541</u>
NET ASSETS				
Invested in capital assets, net of related debt	411,932	3,869,687	4,281,619	4,231,427
Restricted for debt service	119,346	137,967	257,313	298,804
Unrestricted	<u>497,519</u>	<u>364,934</u>	<u>862,453</u>	<u>596,718</u>
Total net assets	<u>\$1,028,797</u>	<u>\$4,372,588</u>	<u>\$5,401,385</u>	<u>\$5,126,949</u>

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
Year Ended September 30, 2005

	Budget		Actual	Variance -
	Original	Final		Favorable (Unfavorable)
Taxes:				
Ad valorem	\$ 35,500	\$ 35,500	\$ 42,006	\$ 6,506
Interest and penalties on taxes	-	-	2,610	2,610
Franchise -				
Electric and cable TV	<u>87,500</u>	<u>91,300</u>	<u>93,034</u>	<u>1,734</u>
Total taxes	<u>123,000</u>	<u>126,800</u>	<u>137,650</u>	<u>10,850</u>
Licenses and permits:				
Occupational licenses	57,000	59,300	59,313	13
Liquor licenses	<u>5,900</u>	<u>5,200</u>	<u>5,210</u>	<u>10</u>
Total licenses and permits	<u>62,900</u>	<u>64,500</u>	<u>64,523</u>	<u>23</u>
Intergovernmental:				
Federal grants	-	-	15,291	15,291
FEMA-Hurricane Katrina	-	14,513	14,514	1
State of Louisiana -				
Beer taxes	10,200	7,865	10,116	2,251
Video poker	55,500	28,861	24,329	(4,532)
Casino Revenue	-	37,300	38,044	744
State grants	7,500	-	-	-
St. Landry Parish Housing Authority	<u>1,300</u>	<u>1,300</u>	<u>-</u>	<u>(1,300)</u>
Total intergovernmental	<u>74,500</u>	<u>89,839</u>	<u>102,294</u>	<u>12,455</u>
Fines and forfeits	<u>325,000</u>	<u>671,600</u>	<u>667,471</u>	<u>(4,129)</u>
Miscellaneous:				
Donations	-	6,000	6,000	-
Rent	67,800	70,290	68,340	(1,950)
Parks and recreation	5,000	4,500	4,706	206
Sale of equipment	4,000	8,000	8,000	-
Other	<u>800</u>	<u>4,891</u>	<u>474</u>	<u>(4,417)</u>
Total miscellaneous	<u>77,600</u>	<u>93,681</u>	<u>87,520</u>	<u>(6,161)</u>
Total revenues	<u>\$ 663,000</u>	<u>\$ 1,046,420</u>	<u>\$ 1,059,458</u>	<u>\$ 13,038</u>

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended September 30, 2005

	Budget		Actual	Variance -
	Original	Final		Favorable (Unfavorable)
Current:				
General government -				
Advertising	\$ 2,000	\$ 1,500	\$ 1,332	\$ 168
Dues and subscriptions	2,500	2,300	2,172	128
Insurance	2,400	2,415	2,334	81
Legal fees	1,200	1,200	1,200	-
Mayor's allowance	6,000	6,000	6,000	-
Medical and drug testing	-	-	897	(897)
Miscellaneous	3,500	8,525	8,484	41
Payroll taxes	2,500	2,352	2,295	57
Professional fees	22,500	21,500	21,449	51
Salaries - mayor and council	30,750	30,750	30,750	-
Travel and meetings	6,200	6,760	6,767	(7)
Preparation of tax roll	3,200	2,800	2,788	12
Repairs and maintenance	-	2,475	3,310	(835)
Coroner's fees	1,000	800	1,745	(945)
Electricity	6,800	3,785	3,702	83
Total general government	<u>90,550</u>	<u>93,162</u>	<u>95,225</u>	<u>(2,063)</u>
Public safety - police -				
Feeding prisoners	15,000	16,500	15,744	756
Insurance	10,300	11,271	10,893	378
Insurance deductible	10,000	2,000	2,000	-
Group insurance	52,981	54,747	50,082	4,665
Miscellaneous	9,500	14,600	14,970	(370)
Police car expense	27,000	52,790	44,427	8,363
Salaries	329,780	416,157	389,473	26,684
Payroll taxes	26,800	32,800	32,602	198
Supplies	12,500	26,200	27,031	(831)
Repairs and maintenance	5,500	18,000	18,801	(801)
Uniforms	1,500	7,400	7,370	30
Training academy	3,600	3,700	2,676	1,024
Telephone	7,500	15,430	14,715	715
Electricity	5,500	5,123	5,099	24
Medical and drug testing	4,000	8,300	9,112	(812)
Total public safety	<u>521,461</u>	<u>685,018</u>	<u>644,995</u>	<u>40,023</u>

TOWN OF PORT BARRE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
Year Ended September 30, 2005

	Budget		Actual	Variance -
	Original	Final		Favorable (Unfavorable)
Culture and recreation -				
Salaries	7,837	7,952	7,661	291
Park expenses	3,800	7,300	7,242	58
Electricity for parks	1,800	2,180	5,136	(2,956)
Total culture and recreation	<u>13,437</u>	<u>17,432</u>	<u>20,039</u>	<u>(2,607)</u>
Capital outlay:				
General government -				
Equipment	8,000	2,660	1,850	810
Public safety -				
Automobiles	42,000	46,870	48,219	(1,349)
Equipment	-	41,700	42,120	(420)
Culture and recreation -				
Improvements	-	13,000	13,000	-
Total capital outlay	<u>50,000</u>	<u>104,230</u>	<u>105,189</u>	<u>(959)</u>
Debt service:				
Principal retirement	-	30,742	32,090	(1,348)
Interest and fiscal charges	-	2,142	3,856	(1,714)
Total debt service	<u>-</u>	<u>32,884</u>	<u>35,946</u>	<u>(3,062)</u>
Total expenditures	<u>\$ 675,448</u>	<u>\$ 932,726</u>	<u>\$ 901,394</u>	<u>\$ 31,332</u>

TOWN OF PORT BARRE, LOUISIANA
1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund

Budgetary Comparison Schedule
Year Ended September 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Miscellaneous -			
Interest on deposits	\$ -	\$ 704	\$ 704
Total revenues	-	704	704
Expenditures:			
Debt service -			
Principal retirement	60,000	60,000	-
Interest	41,523	41,525	(2)
Paying agents' fees	1,500	1,600	(100)
Total debt service	103,023	103,125	(102)
Deficiency of revenues over expenditures	(103,023)	(102,421)	602
Other financing sources:			
Transfers from 1996 Sales Tax Fund	105,000	99,623	-
Excess (deficiency) of revenues and other financing sources over expenditures	1,977	(2,798)	602
Fund balance, beginning	132,443	132,443	-
Fund balance, ending	\$ 134,420	\$ 129,645	\$ 602

TOWN OF PORT BARRE, LOUISIANA
Street Improvement Bond 01/01/87 Debt Service Fund

Budgetary Comparison Schedule
Year Ended September 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes:			
Ad valorem	\$ -	\$ 18	\$ 18
Expenditures	-	-	-
Excess of revenues over expenditures	-	18	18
Other financing uses:			
Transfers out	(69,050)	(65,022)	4,028
Deficiency of revenues over expenditures and other financing uses	(69,050)	(65,004)	4,046
Fund balance, beginning	70,691	70,691	-
Fund balance, ending	\$ 1,641	\$ 5,687	\$ 4,046

TOWN OF PORT BARRE, LOUISIANA
Capital Projects Fund

Budgetary Comparison Schedule
Year Ended September 30, 2005

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues	\$ -	\$ -	\$ -
Expenditures:			
Street improvements	69,050	65,022	4,028
Deficiency of revenues over expenditures	(69,050)	(65,022)	(4,028)
Other financing sources:			
Transfers in	69,050	65,022	4,028
Excess of revenues and other financing sources over expenditures	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -

TOWN OF PORT BARRE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
September 30, 2005 and 2004

Records maintained by the Town indicated the following number of customers were being served during the month of September, 2005 and 2004:

<u>Department</u>	<u>2005</u>	<u>2004</u>
Gas (metered)	590	606
Water (metered)	1,221	1204
Sewerage	743	772

TOWN OF PORT BARRE, LOUISIANA

Schedule of Insurance in Force
September 30, 2005

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation -	
Employer's liability	
Each occurrence	\$ 100,000
Aggregate	500,000
Surety Bonds -	
Town clerk	36,000
Assistant town clerk	36,000
Town Treasurer	5,000
Blanket bond	5,000
General liability -	
Each occurrence	500,000
Aggregate	500,000
Business automobile liability -	
Each occurrence	500,000
Aggregate	500,000
Property coverage -	
Fire and light, extended coverage, vandalism and malicious mischief	653,319
Equipment breakdown coverage	675,700
Public official errors and omissions	
Each wrongful act	500,000
Aggregate	1,000,000
Police professional liability -	
Each occurrence	500,000
Aggregate	500,000
Commercial automobile coverage	171,069

TOWN OF PORT BARRE, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds
September 30, 2005

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
General Fund:				
Certificate of deposit	(A)	03/09/06	2.15%	<u>191,787</u>
Debt Service Funds:				
1996 Sales Tax Bonds Fund - checking account	(A)	N/A	Variable	<u>88,424</u>
Special Revenue Fund				
Road Repair checking account	(A)	N/A	Variable	<u>9,645</u>
Utility Fund:				
Unrestricted assets -				
Certificate of deposit	(A)	01/06/06	0.80%	20,250
Certificate of deposit	(A)	01/31/06	0.80%	53,928
Certificate of deposit	(A)	03/02/06	1.60%	113,924
Restricted assets -				
Certificate of deposit	(S)	01/16/06	2.20%	22,498
Savings accounts	(A)	N/A	Variable	<u>15,985</u>
Total Utility Fund				<u>226,585</u>
 Total - all funds				<u>\$516,441</u>

Investments with:

(A) American Bank and Trust, Opelousas, Louisiana

(S) St. Landry Homestead, Opelousas, Louisiana

TOWN OF PORT BARRE, LOUISIANA

Comparative Statement of Net Assets
Proprietary Fund
September 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Current assets:		
Cash	\$ 51,167	\$ 42,780
Interest-bearing deposits, at cost	188,102	186,850
Receivables:		
Accounts receivable	79,103	83,890
Due from other funds	<u>70,574</u>	<u>70,574</u>
Total current assets	<u>388,946</u>	<u>384,094</u>
Noncurrent assets:		
Restricted assets:		
Cash	208,896	154,448
Interest -bearing deposits, at cost	38,483	38,266
Capital assets:		
Land	15,292	15,292
Other capital assets, net of accumulated depreciation	<u>4,438,367</u>	<u>4,541,504</u>
Total noncurrent assets	<u>4,701,038</u>	<u>4,749,510</u>
Total assets	<u>5,089,984</u>	<u>5,133,604</u>
LIABILITIES		
Current liabilities:		
Accounts payable	39,224	23,268
Other liabilities	80	231
Payable from restricted assets -		
Revenue bonds	43,563	20,958
Accrued interest	<u>2,814</u>	<u>3,060</u>
Total current liabilities	<u>85,681</u>	<u>47,517</u>
Noncurrent liabilities:		
Customers' deposits	63,035	55,724
Revenue bonds and notes payable	<u>568,680</u>	<u>610,521</u>
Total noncurrent liabilities	<u>631,715</u>	<u>666,245</u>
Total liabilities	<u>717,396</u>	<u>713,762</u>
NET ASSETS		
Invested in capital assets, net of related debt	3,884,979	3,946,275
Restricted for debt service	137,967	112,972
Unrestricted	<u>349,642</u>	<u>360,595</u>
Total net assets	<u>\$4,372,588</u>	<u>\$4,419,842</u>

TOWN OF PORT BARRE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended September 30, 2005 and 2004

	Totals		Gas	
	2005	2004	2005	2004
Operating revenues:				
Charges for services -				
User charges	\$ 824,621	\$ 813,395	\$ 349,017	\$ 335,120
Connection charges	5,950	3,861	300	211
Miscellaneous	24,329	23,052	10,218	6,916
Total operating revenues	<u>854,900</u>	<u>840,308</u>	<u>359,535</u>	<u>342,247</u>
Operating expenses:				
Professional fees	9,605	9,650	-	-
Engineering fees	2,245	2,210	1,200	1,200
Depreciation	134,229	135,961	13,542	15,131
Electricity	81,049	76,263	-	-
Natural gas purchased	192,475	175,399	192,475	175,399
Insurance	71,271	68,954	15,272	14,776
Group insurance	21,192	20,153	6,358	5,036
Office supplies and expense	15,732	16,403	-	-
Operative maintenance and supplies	85,285	75,340	9,531	11,294
Payroll taxes	11,144	10,315	3,291	3,278
Salaries	144,846	133,956	39,960	42,076
Contract labor	14,300	12,911	-	-
Truck expenses	12,877	7,295	-	-
Water and sewer chemicals	43,419	47,840	-	-
Telephone	2,270	1,886	1,001	1,133
Bad debts expense (recoveries)	-	9,882	-	4,044
Uniforms	3,709	2,297	-	-
Miscellaneous	31,494	24,193	5,424	7,128
Allocation of general and administrative expense	-	-	35,163	21,127
Total operating expenses	<u>877,142</u>	<u>830,908</u>	<u>323,217</u>	<u>301,622</u>
Operating income (loss)	<u>(22,242)</u>	<u>9,400</u>	<u>\$ 36,318</u>	<u>\$ 40,625</u>
Nonoperating revenues (expenses):				
Interest income	1,471	1,527		
Interest and fiscal charges	(29,934)	(30,894)		
Total nonoperating revenues (expenses)	<u>(28,463)</u>	<u>(29,367)</u>		
Loss before transfers	<u>(50,705)</u>	<u>(19,967)</u>		
Transfers in (out):				
Transfers in	3,451	55,000		
Transfers out	-	(64,063)		
Total transfers in (out)	<u>3,451</u>	<u>(9,063)</u>		
Change in net assets	(47,254)	(29,030)		
Net assets, beginning	4,419,842	4,448,872		
Net assets, ending	<u>\$ 4,372,588</u>	<u>\$ 4,419,842</u>		

Water		Sewerage		General and Administrative	
2005	2004	2005	2004	2005	2004
\$ 271,417	\$ 272,660	\$ 204,187	\$ 205,615	\$ -	\$ -
4,600	3,050	1,050	600	-	-
8,029	10,374	6,082	5,762	-	-
<u>284,046</u>	<u>286,084</u>	<u>211,319</u>	<u>211,977</u>	<u>-</u>	<u>-</u>
-	-	-	-	9,605	9,650
1,045	1,010	-	-	-	-
20,691	20,524	99,996	100,306	-	-
22,733	21,100	54,614	51,589	3,702	3,574
-	-	-	-	-	-
23,757	22,985	17,818	17,238	14,424	13,955
9,536	9,070	5,298	6,047	-	-
-	-	-	-	15,732	16,403
31,365	21,093	36,724	37,442	7,665	5,511
5,048	4,222	2,805	2,815	-	-
67,427	58,018	37,459	33,862	-	-
-	-	14,300	12,911	-	-
-	-	-	-	12,877	7,295
36,876	40,084	6,543	7,756	-	-
989	537	280	216	-	-
-	3,326	-	2,512	-	-
-	-	-	-	3,709	2,297
3,189	550	6,874	4,778	16,007	11,737
27,628	31,690	20,930	17,605	(83,721)	(70,422)
<u>250,284</u>	<u>234,209</u>	<u>303,641</u>	<u>295,077</u>	<u>-</u>	<u>-</u>
<u>\$ 33,762</u>	<u>\$ 51,875</u>	<u>\$ (92,322)</u>	<u>\$ (83,100)</u>	<u>\$ -</u>	<u>\$ -</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

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

The Honorable John Fontenot, Mayor
and Members of the Board of Aldermen
Town of Port Barre, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Port Barre, Louisiana (the Town) as of and for the year ended September 30, 2005, which collectively comprise the Town of Port Barre's basic financial statements and have issued our report thereon dated September 15, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 05-1(IC).

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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

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Compliance and Other Matters

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

We also noted other matters involving the internal control over financial reporting that we have reported to management of the Town in a separate letter dated December 15, 2005.

This report is intended for the information of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Lafayette, Louisiana
December 15, 2005

TOWN OF PORT BARRE

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
September 30, 2005

<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>	
<u>CURRENT YEAR (09/30/05) --</u>						
<u>Internal Control:</u>						
05-1(IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Toria Comeaux, Town Clerk	N/A
<u>Management Letter:</u>						
05-2(ML)	2000	During the fiscal year ended September 30, 2005, the Utility Fund Sewerage Department experienced an operating loss of \$92,322. The Town should consider increasing sewerage rates and/or decreasing expenses in order for these departments to operate on a profitable basis.	Partial	Town officials will review current sewerage rates to determine whether rate increases are required and will closely scrutinize department expenses to determine where reductions can be made. These procedures should enable the sewerage department to operate on a profitable basis in the future.	Toria Comeaux, Town Clerk	6/30/2006

(continued)

TOWN OF PORT BARRE

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan - (Continued)
September 30, 2005

Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>PRIOR YEAR (09/30/04) --</u> <u>Internal Control:</u> 04-1(IC) Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Toria Comeaux, Town Clerk	N/A
<u>Compliance:</u> 04-2(C) 2004	The town violated Article 7 Section 14 of the Louisiana constitution by expending Town funds for candy and flowers.	Yes	Town officials should adhere to Article 7 Section 14 of the Louisiana constitution by disallowing expenditures for the purchase of candy and flowers		
<u>Management Letter:</u> 04-3(ML) 2000	During the fiscal year ended September 30, 2004, the Utility Fund Sewerage Department experienced an operating loss of \$83,100. The Town should consider increasing sewerage rates and/or decreasing expenses in order for these departments to operate on a profitable basis.	Partial	Town officials will review current sewerage rates to determine whether rate increases are required and will closely scrutinize department expenses to determine where reductions can be made. These procedures should enable the sewerage department to operate on a profitable basis in the future.	Toria Comeaux, Town Clerk	7/1/2005

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MANAGEMENT LETTER

* A Professional Accounting Corporation

The Honorable John Fontenot, Mayor
and Members of the Board of Aldermen
Town of Port Barre, Louisiana

During our audit of the basic financial statements of the Town of Port Barre for the year ended September 30, 2005, we noted an area in which improvements in the accounting system and financial practices of the Town may be desirable. This recommendation was also included in our management letter dated December 17, 2004 applicable to our audit of the basic financial statements for the year ended September 30, 2004, but is mentioned again for re-emphasis.

The Utility Fund sewerage department experienced an operating loss before operating transfers of \$92,322. The Town should consider increasing sewerage rates and /or decreasing expenses in order for the department to operate on a profitable basis.

We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing any of our recommendations, please feel free to contact us.

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

Lafayette, Louisiana
December 15, 2005

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