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VILLAGE OF CHATAIGNIER, LOUISIANA
FINANCIAL REPORT
JUNE 30, 2004

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

Release Date 2-2-05

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To the Mayor and Board of Aldermen
Village of Chataignier, Louisiana

We have compiled the accompanying general purpose financial statements of the Village of Chataignier, Louisiana, as of and for the year ended June 30, 2004, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the management of the Village of Chataignier, Louisiana. We have not audited or reviewed the accompanying general purpose financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Government Audit Guide* and the provisions of state law, we have issued a report, dated November 15, 2004, on the results of our agreed-upon procedures.

Also, in accordance with the new state audit law reporting requirements, the Village has opted to defer conversion to the new Governmental Accounting Standard Board's reporting model until they meet the required state and local assistance threshold.

BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.

Crowley, Louisiana
November 15, 2004

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GENERAL PURPOSE FINANCIAL STATEMENTS

(Combined Statements - Overview)

VILLAGE OF CHATAIGNIER, LOUISIANA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 2004
 See Accountant's Compilation Report

	Governmental Fund Types	
	General Fund	Special Revenue
ASSETS AND OTHER DEBITS		
Cash and cash equivalents	\$ 24,265	\$ 2,038
Accounts receivable	-	-
Fixed assets (net of accumulated depreciation)	-	-
Amount to be provided for retirement of general long-term debt	-	-
Total assets and other debits	\$ 24,265	\$ 2,038
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts payable	\$ 2,246	\$ -
Customers deposit	-	-
Current portion of long-term debt	-	-
Total liabilities	\$ 2,246	\$ -
FUND EQUITY		
Investment in general fixed assets	\$ -	\$ -
Contributed capital (net)	-	-
Retained earnings		
Fund balance:		
Unreserved - undesignated	22,019	2,038
Total fund equity	\$ 22,019	\$ 2,038
Total liabilities and fund equity	\$ 24,265	\$ 2,038

See Notes to Financial Statements

<u>Proprietary Fund Type</u>	<u>Account Group</u>	<u>Total (Memorandum Only)</u>
<u>Enterprise Fund</u>	<u>General Fixed Assets</u>	
\$ 8,874	\$ -	\$ 35,177
2,002	-	2,002
647,352	659,844	1,307,196
-	-	-
<u>\$ 658,228</u>	<u>\$ 659,844</u>	<u>\$ 1,344,375</u>
\$ -	\$ -	\$ 2,246
864	-	864
-	-	-
<u>\$ 864</u>	<u>\$ -</u>	<u>\$ 3,110</u>
\$ -	\$ 659,844	\$ 659,844
647,119	-	647,119
10,245	-	10,245
-	-	24,057
<u>\$ 657,364</u>	<u>\$ 659,844</u>	<u>\$ 1,341,265</u>
<u>\$ 658,228</u>	<u>\$ 659,844</u>	<u>\$ 1,344,375</u>

VILLAGE OF CHATAIGNIER, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

Year Ended June 30, 2004

See Accountant's Compilation Report

	General Fund	Special Revenue	Total (Memorandum Only)
Revenues:			
Taxes	\$ 26,090	\$ -	\$ 26,090
Licenses and permits	5,710	-	5,710
Intergovernmental	626	34,038	34,664
Fines and forfeitures	3,203	-	3,203
Investments income	59	-	59
Miscellaneous	8,921	-	8,921
	<hr/>	<hr/>	<hr/>
Total revenues	\$ 44,609	\$ 34,038	\$ 78,647
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	\$ 31,052	\$ -	\$ 31,052
Public safety	7,957	-	7,957
Public works	6,526	-	6,526
Culture and recreation	3,076	-	3,076
Capital outlay	-	32,000	32,000
Debt service:			
Principal retirement	2,255	-	2,255
Interest and fiscal charges	30	-	30
	<hr/>	<hr/>	<hr/>
Total expenditures	\$ 50,896	\$ 32,000	\$ 82,896
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	\$ (6,287)	\$ 2,038	\$ (4,249)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Operating transfers in	\$ 21,085	\$ -	\$ 21,085
Operating transfers out	(18,348)	-	(18,348)
	<hr/>	<hr/>	<hr/>
Total other financing sources	\$ 2,737	\$ -	\$ 2,737
	<hr/>	<hr/>	<hr/>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ (3,550)	\$ 2,038	\$ (1,512)
	<hr/>	<hr/>	<hr/>
Fund balances, beginning	25,569	-	25,569
	<hr/>	<hr/>	<hr/>
Fund balances, ending	\$ 22,019	\$ 2,038	\$ 24,057
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See Notes to Financial Statements.

VILLAGE OF CHATAIGNIER, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND

Year Ended June 30, 2004

See Accountant's Compilation Report

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 24,800	\$ 26,090	\$ 1,290
Licenses and permits	6,500	5,710	(790)
Intergovernmental	-	626	626
Fines and forfeitures	7,000	3,203	(3,797)
Investments income	75	59	(16)
Miscellaneous	6,161	8,921	2,760
	<u>\$ 44,536</u>	<u>\$ 44,609</u>	<u>\$ 73</u>
Expenditures:			
Current:			
General government	\$ 28,350	\$ 31,052	\$ (2,702)
Public safety	6,908	7,957	(1,049)
Public works	4,000	6,526	(2,526)
Culture and recreation	-	3,076	(3,076)
Debt service:			
Principal retirement	-	2,255	(2,255)
Interest and fiscal charges	200	30	170
	<u>\$ 39,458</u>	<u>\$ 50,896</u>	<u>\$ (11,438)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 5,078</u>	<u>\$ (6,287)</u>	<u>\$ (11,365)</u>
Other financing sources (uses):			
Operating transfers in	\$ -	\$ 21,085	\$ 21,085
Operating transfers out	-	(18,348)	(18,348)
	<u>\$ -</u>	<u>\$ 2,737</u>	<u>\$ 2,737</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ 5,078</u>	<u>\$ (3,550)</u>	<u>\$ (8,628)</u>
Fund balance, beginning	<u>71,698</u>	<u>25,569</u>	<u>(46,129)</u>
Fund balance, ending	<u><u>\$ 76,776</u></u>	<u><u>\$ 22,019</u></u>	<u><u>\$ (54,757)</u></u>

See Notes to Financial Statements.

VILLAGE OF CHATAIGNIER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - ENTERPRISE FUND
Year Ended June 30, 2004
See Accountant's Compilation Report

Operating revenues:		
Charges for services	\$	21,894
		21,894
Operating expenses:		
Salaries, wages, and taxes	\$	4,924
Supplies and materials		2,259
Depreciation		25,890
Insurance		1,033
Utilities		3,710
Repairs and maintenance		4,445
Other services and charges		681
		42,942
Total operating expenses	\$	42,942
Operating loss before operating transfers	\$	(21,048)
Operating transfers out:		
Operating transfers out		(2,737)
		(2,737)
Net loss	\$	(23,785)
Add depreciation on fixed assets acquired by grants <i>externally restricted for capital acquisitions and construction that reduces contributed capital</i>		25,890
		25,890
Increase in retained earnings	\$	2,105
Retained earnings, beginning		8,140
		10,245
Retained earnings, ending	\$	10,245
		10,245

See Notes to Financial Statements.

VILLAGE OF CHATAIGNIER, LOUISIANA
ENTERPRISE FUNDSTATEMENT OF CASH FLOWS
Year Ended June 30, 2004
See Accountant's Compilation Report

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	\$ (21,048)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	<u>25,890</u>
Net cash provided by operating activities	\$ 4,842
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers to other funds	<u>(2,737)</u>
Net increase (decrease) in cash and cash equivalents	\$ 2,105
Cash and cash equivalents, beginning	<u>6,768</u>
Cash and cash equivalents, end	<u>\$ 8,873</u>

See Notes to Financial Statements.

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FINACIAL STATEMENTS

See Accountant's Compilation Report

Note 1. Summary of Significant Accounting Policies

The Village of Chataignier, Louisiana, (the Village) was incorporated in 1972, under the provisions of the Lawrason Act. The Village operates under a Mayor - Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation, culture and recreation, health and welfare, public improvements, planning and zoning, and general administrative services.

The general purpose financial statements of the Village have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accounting policies of the Village conform to generally accepted accounting principles as applicable to governmental entities. The more significant accounting policies of the Village are described below:

Basis of presentation - fund accounting:

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities. The various funds are summarized by type and grouped in the financial statements of this report as follows:

Governmental Funds

Governmental funds are used to account for all or most of the governmental entity's general activities, including the collection and disbursement of earmarked monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt.

General Funds:

The general fund is the general operating fund of the Village and accounts for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Fund:

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purpose.

Capital Project Fund:

The capital projects funds are used to account for financial resources received and used for the acquisition, construction, or improvement of major capital facilities other than those financed by proprietary or nonexpendable trust funds.

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Proprietary Fund

Proprietary funds are reported in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the Village have elected not to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Enterprise Fund:

The enterprise fund is 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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Account Groups

Account groups are reporting devices used to account for certain assets and liabilities of governmental funds not recorded directly in those funds. The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

General Fixed Assets Account Group:

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized with general fixed assets as these assets are immovable and of value to the Village. In accordance with generally accepted accounting principles, no provision is made for depreciation of such assets in the General Fixed Assets Account Group.

All fixed assets are stated on the basis of historical cost. Assets acquired through gift or donations are recorded at their estimated fair value at the time of donation.

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Depreciation of all exhaustible fixed assets used by the proprietary fund types is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund type balance sheets. Depreciation has been provided over the assets' estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Disposal plant	40 Years
Collection system	40 Years
Machinery and equipment	5 Years

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

General Long-Term Debt Account Group:

Long-term debt and long-term liabilities expected to be financed with resources to be provided in future periods from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to *exclude amounts represented by noncurrent liabilities*. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

Basis of accounting - measurement focus:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements; measurement focus refers to what is being measured. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental funds use a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of "available spending resources." Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spending resources" during a period. The modified accrual basis of accounting is utilized by the governmental fund types. Their revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Expenditure-driven grant revenues are recorded when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued because they do not vest or accumulate; and (2) principal and interest on general long-term debt which is recognized when due.

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

The proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of the fund are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The accrual basis of accounting is utilized by the proprietary fund types. Under this basis of accounting revenues are recognized when earned and expenses are recognized when the related liability is incurred.

Budgets and budgetary accounting:

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

1. The Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is then legally enacted through passage of a resolution.
3. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen.
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year-end. The budget presented is as amended by the Board of Aldermen. Expenditures may not legally exceed budgeted appropriations by more than 5% at the fund level.

For the year ended June 30, 2004, the Village's actual expenditures exceeded budgeted expenditures by more than 5% in the General Fund. Louisiana Revised Statutes (LSA-RS) 39:1310 requires that a budget be amended if actual expenditures exceed budgeted expenditures by 5% or more.

Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the Village.

Total columns on combined statements:

Total columns presented in the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. No consolidating entries or other eliminations were made in the aggregation of the totals; thus, they do not present consolidated information and do not purport to present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles.

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 at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Cash and cash equivalents:

For reporting purposes, the Village considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Interfund transactions:

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Legally authorized transfers are treated as operating transfers and are included in the results of operations.

Note 2. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in October and are due by December 31. The taxes are generally collected in December, January, and February. Property tax revenues are recognized when levied to the extent that they result in current receivables.

The Village levies a tax of 4.31 mills per dollar of assessed valuation of property within its corporate limits for general corporate purposes.

Note 3. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include demand deposits and certificates of deposit. The Village may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of state banks having their principle office in the State of Louisiana, or any other federally insured investment. The Village may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. At year-end, the carrying amount of the Village's cash and cash equivalents totaled \$35,177 and the bank balances totaled \$35,825. Bank deposits at June 30, 2004, were fully insured by Federal Deposit Insurance Corporation (FDIC) coverage.

Note 4. Proprietary Fund Type Fixed Assets

A summary of proprietary fund type property, plant, and equipment at June 30, 2004, follows:

Land	\$ 10,000
Disposal plant and collection system	1,035,584
Machinery and equipment	5,236
Total fixed assets	\$ 1,050,820
Less: accumulated depreciation	(403,468)
Net fixed assets	<u>\$ 647,352</u>

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance June 30, 2003	Additions	Deletions	Balance June 30, 2004
Land	\$ 25,964	\$ -	\$ -	\$ 25,964
Buildings and improvements	230,802	-	-	230,802
Machinery and equipment	59,430	-	-	59,430
Street improvements	311,648	32,000	-	343,648
Total general fixed assets	<u>\$ 627,844</u>	<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ 659,844</u>

Note 6. Dedication of Sales Tax Proceeds

The proceeds of the 2% sales and use tax are dedicated to the following purposes:

1. Defraying the cost of improving, maintaining, and operating the recreational facilities of the Village.
2. Defraying the cost of improving and maintaining the streets and thoroughfares of the Village.
3. Defraying the cost of improving, maintaining, and operating the drainage system of the Village.
4. Defraying the cost of operating the General Fund of the Village.

Note 7. Changes in Long-Term Obligations

Long-term obligations at June 30, 2004, consist of the following:

\$25,030 General long-term debt note payable, due in monthly installments of \$294 through August 1, 2004; at an interest rate of 7%	\$ 2,255
Retirements	<u>(2,255)</u>
Balance, June 30, 2004	<u>\$ -</u>

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 8. Contributed Capital

Under National Council in Governmental Accounting Statement 2, grants, entitlements, or shared revenues restricted for the acquisition or construction of capital assets should be recorded as contributed equity. Depreciation recognized on assets acquired or constructed through such resources externally restricted for capital acquisitions may be closed to the appropriate contributed capital account and reported in the operating statement under operating expenses. If this option is followed, the net income (loss), adjusted by the amount of depreciation on fixed assets acquired or constructed through such resources externally restricted for this purpose, is closed to retained earnings and reported after net income (loss). The Village's contributed capital account consists of the following:

Louisiana Department of Public Works	\$ 206,838
Environmental Protection Agency	620,513
Department of Housing and Urban Development	218,000
Total contributed capital	<u>\$ 1,045,351</u>
Less: accumulated depreciation on fixed assets acquired by grants above	(398,232)
Contributed capital as of June 30, 2004	<u><u>\$ 647,119</u></u>

Note 9. Interfund Transfers

Interfund transfers for the year ended June 30, 2004, were as follows:

<u>Fund</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 18,316	\$ 18,348
Enterprise Fund	2,769	2,737
Total operating transfers	<u><u>\$ 21,085</u></u>	<u><u>\$ 21,085</u></u>

Note 10. Compensated Absences

The Village has no policy relating to compensated absences and only a few regular employees. The compensated absences are not material to the financial statements as a whole.

VILLAGE OF CHATAIGNIER, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 11. Segment Information for Enterprise Fund

The Village maintains one enterprise fund. Key financial information as of and for the year ended June 30, 2004, for this fund is as follows:

	<u>Sewer Utility Fund</u>
Operating revenues	\$ 21,894
Operating expenses including depreciation expense of \$25,890	<u>42,942</u>
Operating loss	\$ (21,048)
Operating transfers out	<u>(2,737)</u>
Net loss	<u><u>\$ (23,785)</u></u>
 Net working capital	 <u>\$ 10,013</u>
 Total assets	 <u>\$ 658,228</u>
 Total equity	 <u>\$ 657,364</u>

Note 12. State Grants

The Village was awarded a grant from the Governor's Office of Rural Development for \$15,000 and a grant from the United States Department of Agriculture for \$45,000. These grants are for the purpose of constructing a new police station. The Village has received and expended \$3,500 of the \$15,000 grant from the Governor's Office of Rural Development relative to this project as of June 30, 2004. The Village has not received nor expended any money relative to the \$45,000 grant from the United States Department of Agriculture as of June 30, 2004.

The Village was awarded a Louisiana Community Development Block grant from the Louisiana Office of Community Development for street improvement totaling \$469,976. The Village received and expended \$271,416 in prior year and \$ 0 in the current year relative to the street improvement project as of June 30, 2004.

The Village was awarded a grant from the Louisiana Recreational Trails program for \$32,000. This grant is for the purpose of constructing a walking trail. The Village received and expended \$32,000 in the current year relative to the walking trail grant as of June 30, 2004.

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GENERAL FUNDS

To account for all resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund.

GENERAL FUND: to account for the general operations of the Village

COURT FUND: to account for the collections of fines and disbursements for court fees.

VILLAGE OF CHATAIGNIER, LOUISIANA
ALL GENERAL FUNDS

COMBINING BALANCE SHEET
June 30, 2004
See Accountant's Compilation Report

	<u>General Fund</u>	<u>Court Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 24,109	\$ 156	\$ 24,265
	<u>24,109</u>	<u>156</u>	<u>24,265</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2,246	\$ -	\$ 2,246
FUND BALANCES			
Unreserved - undesignated	21,863	156	22,019
	<u>21,863</u>	<u>156</u>	<u>22,019</u>
Total liabilities and fund balances	\$ 24,109	\$ 156	\$ 24,265
	<u>24,109</u>	<u>156</u>	<u>24,265</u>

VILLAGE OF CHATAIGNIER, LOUISIANA
ALL GENERAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

Year Ended June 30, 2004

See Accountant's Compilation Report

	General Fund	Court Fund	Total
Revenues:			
Taxes	\$ 26,090	\$ -	\$ 26,090
Licenses and permits	5,710	-	5,710
Intergovernmental	626	-	626
Fines and forfeitures	-	3,203	3,203
Investments income	59	-	59
Miscellaneous	8,870	51	8,921
	<u>\$ 41,355</u>	<u>\$ 3,254</u>	<u>\$ 44,609</u>
Expenditures:			
Current:			
General government	\$ 31,052	\$ -	\$ 31,052
Public safety	-	7,957	7,957
Public works	6,526	-	6,526
Culture and recreation	3,076	-	3,076
Debt service:			
Principal retirement	2,255	-	2,255
Interest and fiscal charges	30	-	30
	<u>\$ 42,939</u>	<u>\$ 7,957</u>	<u>\$ 50,896</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,584)</u>	<u>\$ (4,703)</u>	<u>\$ (6,287)</u>
Other financing sources (uses):			
Operating transfers in	\$ 16,336	\$ 4,749	\$ 21,085
Operating transfers out	(18,348)	-	(18,348)
	<u>\$ (2,012)</u>	<u>\$ 4,749</u>	<u>\$ 2,737</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ (3,596)</u>	<u>\$ 46</u>	<u>\$ (3,550)</u>
Fund balances, beginning	25,459	110	25,569
Fund balances, ending	<u><u>\$ 21,863</u></u>	<u><u>\$ 156</u></u>	<u><u>\$ 22,019</u></u>

See Notes to Financial Statements.

VILLAGE OF CHATAIGNIER, LOUISIANA
ALL GENERAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL

Year Ended June 30, 2004

See Accountant's Compilation Report

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 24,800	\$ 26,090	\$ 1,290
Licenses and permits	6,500	5,710	(790)
Intergovernmental	-	626	626
Fines and forfeitures	-	-	-
Investments income	75	59	(16)
Miscellaneous	6,161	8,870	2,709
Total revenues	<u>\$ 37,536</u>	<u>\$ 41,355</u>	<u>\$ 3,819</u>
Expenditures:			
Current:			
General government	\$ 28,350	\$ 31,052	\$ (2,702)
Public safety	-	-	-
Public works	4,000	6,526	(2,526)
Culture and recreation	-	3,076	(3,076)
Debt service:			
Principal retirement	-	2,255	(2,255)
Interest and fiscal charges	200	30	170
Total expenditures	<u>\$ 32,550</u>	<u>\$ 42,939</u>	<u>\$ (10,389)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 4,986</u>	<u>\$ (1,584)</u>	<u>\$ (6,570)</u>
Other financing sources (uses):			
Operating transfers in	\$ -	\$ 16,336	\$ 16,336
Operating transfers out	-	(18,348)	(18,348)
Total other financing sources	<u>\$ -</u>	<u>\$ (2,012)</u>	<u>\$ (2,012)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ 4,986</u>	<u>\$ (3,596)</u>	<u>\$ (8,582)</u>
Fund balances, beginning	70,802	25,459	(45,343)
Fund balances, ending	<u><u>\$ 75,788</u></u>	<u><u>\$ 21,863</u></u>	<u><u>\$ (53,925)</u></u>

See Notes to Financial Statements.

Court Fund			Total		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 24,800	\$ 26,090	\$ 1,290
-	-	-	6,500	5,710	(790)
-	-	-	-	626	626
7,000	3,203	(3,797)	7,000	3,203	(3,797)
-	-	-	75	59	(16)
-	51	51	6,161	8,921	2,760
<u>\$ 7,000</u>	<u>\$ 3,254</u>	<u>\$ (3,746)</u>	<u>\$ 44,536</u>	<u>\$ 44,609</u>	<u>\$ 73</u>
\$ -	\$ -	\$ -	\$ 28,350	\$ 31,052	\$ (2,702)
6,908	7,957	(1,049)	6,908	7,957	(1,049)
-	-	-	4,000	6,526	(2,526)
-	-	-	-	3,076	(3,076)
-	-	-	-	2,255	(2,255)
-	-	-	200	30	170
<u>\$ 6,908</u>	<u>\$ 7,957</u>	<u>\$ (1,049)</u>	<u>\$ 39,458</u>	<u>\$ 50,896</u>	<u>\$ (11,438)</u>
<u>\$ 92</u>	<u>\$ (4,703)</u>	<u>\$ (4,795)</u>	<u>\$ 5,078</u>	<u>\$ (6,287)</u>	<u>\$ (11,365)</u>
\$ -	\$ 4,749	\$ 4,749	\$ -	\$ 21,085	\$ 21,085
-	-	-	-	(18,348)	(18,348)
<u>\$ -</u>	<u>\$ 4,749</u>	<u>\$ 4,749</u>	<u>\$ -</u>	<u>\$ 2,737</u>	<u>\$ 2,737</u>
\$ 92	\$ 46	\$ (46)	\$ 5,078	\$ (3,550)	\$ (8,628)
896	110	(786)	71,698	25,569	(46,129)
<u>\$ 988</u>	<u>\$ 156</u>	<u>\$ (832)</u>	<u>\$ 76,776</u>	<u>\$ 22,019</u>	<u>\$ (54,757)</u>

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SPECIAL REVENUE FUND

To account for specific revenues that are legally restricted to expenditures for specific purposes.

WALKING TRAIL FUND - to account for the collection and disbursement of grant funds used for the construction of a walking trail.

PARK BEAUTIFICATION FUND - to account for the collection and disbursement of grant funds used for the beautification of the Village park.

PARK IMPROVEMENT FUND - to account for the collection and disbursement of grant funds used for the overall improvement of the Village park.

VILLAGE OF CHATAIGNIER, LOUISIANA
ALL SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
June 30, 2004
See Accountant's Compilation Report

	Walking Trail Fund	Park Beautification Fund	Park Improvement Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 500	\$ 1,538	\$ 2,038
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE				
Unreserved - undesignated	\$ -	\$ 500	\$ 1,538	\$ 2,038
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

VILLAGE OF CHATAIGNIER, LOUISIANA
ALL SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

Year Ended June 30, 2004

See Accountant's Compilation Report

	Walking Trail Fund	Park Beautification Fund	Park Improvement Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Intergovernmental	\$ 32,000	\$ 500	\$ 1,538	\$ 34,038
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Expenditures:				
Capital outlay	\$ 32,000	\$ -	\$ -	\$ 32,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess of revenues over expenditures	\$ -	\$ 500	\$ 1,538	\$ 2,038
Fund balance, beginning	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance, ending	\$ -	\$ 500	\$ 1,538	\$ 2,038
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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ENTERPRISE FUND

To account for operations (1) 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 (2) 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.

SEWER UTILITY FUND – to account for the provision of sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF CHATAIGNIER, LOUISIANA
ENTERPRISE FUND

BALANCE SHEET

June 30, 2004

See Accountant's Compilation Report

	<u>Sewer Utility Fund</u>
ASSETS	
Cash and cash equivalents	\$ 8,873
Accounts receivable	2,003
Fixed assets (net of accumulated depreciation)	647,352
	<hr/>
Total assets	\$ 658,228
	<hr/> <hr/>
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Customers' deposit	\$ 864
	<hr/>
FUND EQUITY	
Contributed capital (net)	\$ 647,119
Retained earnings	10,245
	<hr/>
Total fund equity	\$ 657,364
	<hr/>
Total liabilities and fund equity	\$ 658,228
	<hr/> <hr/>

VILLAGE OF CHATAIGNIER, LOUISIANA
ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 2004

See Accountant's Compilation Report

	Budget	Actual	Variance - Favorable (Unfavorable)
Operating revenues:			
Charges for services	\$ 23,000	\$ 21,894	\$ (1,106)
Operating expenses:			
Salaries, wages, and taxes	\$ 6,782	\$ 4,924	\$ 1,858
Supplies and materials	4,800	2,259	2,541
Depreciation	-	25,890	(25,890)
Insurance	1,050	1,033	17
Utilities	3,700	3,710	(10)
Repairs and maintenance	3,500	4,445	(945)
Other services and charges	-	681	(681)
Total operating expenses	\$ 19,832	\$ 42,942	\$ (23,110)
Operating income (loss) before operating transfers	\$ 3,168	\$ (21,048)	\$ (24,216)
Operating transfers out:			
Operating transfers out	-	(2,737)	(2,737)
Net loss	\$ 3,168	\$ (23,785)	\$ (26,953)
Add depreciation on fixed assets acquired by grants <i>externally restricted for capital acquisitions and construction that reduces contributed capital</i>	-	25,890	25,890
Increase in retained earnings	\$ 3,168	\$ 2,105	\$ (1,063)
Retained earnings, beginning	5,543	8,140	2,597
Retained earnings, ending	\$ 8,711	\$ 10,245	\$ 1,534

See Notes to Financial Statements.

VILLAGE OF CHATAIGNIER, LOUISIANA
ENTERPRISE FUND

STATEMENT OF CASH FLOWS
Year Ended June 30, 2004
See Accountant's Compilation Report

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	\$ (21,048)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	<u>25,890</u>
Net cash provided by operating activities	\$ 4,842
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers to other funds	<u>(2,737)</u>
Net increase (decrease) in cash and cash equivalents	\$ 2,105
Cash and cash equivalents, beginning	<u>6,768</u>
Cash and cash equivalents, end	<u><u>\$ 8,873</u></u>

See Notes to Financial Statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets used in governmental fund type operations.

VILLAGE OF CHATAIGNIER, LOUISIANA
GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Year Ended June 30, 2004
See Accountant's Compilation Report

	Balance June 30, 2003	Additions	Deletions	Balance June 30, 2004
General fixed assets:				
Land	\$ 25,964	\$ -	\$ -	\$ 25,964
Buildings and improvements	230,802	-	-	230,802
Machinery and equipment	59,430	-	-	59,430
Street improvements	311,648	32,000	-	343,648
Total general fixed assets	<u>\$ 627,844</u>	<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ 659,844</u>
Investment in general fixed assets:				
General fund revenues	\$ 75,163	\$ -	\$ -	\$ 75,163
Federal/State grants	392,681	32,000	-	424,681
Donated assets	160,000	-	-	160,000
Total investment in general fixed assets	<u>\$ 627,844</u>	<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ 659,844</u>

VILLAGE OF CHATAIGNIER, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO MAYOR/BOARD OF ALDERMEN

Year Ended June 30, 2004

See Accountant's Compilation Report

Herman Malveaux, Mayor	\$ 3,000
Alton Thomas, Jr.	600
Lucy Green	600
Daniel Brasseaux	<u>500</u>
Total	<u>\$ 4,700</u>

The schedule of compensation paid to the Mayor and Board of Aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 33:1233, the Mayor and Board of Aldermen have elected the monthly payment method of compensation. Under this method, the Mayor receives monthly compensation of \$250 and the Board of Aldermen receives monthly compensation of \$50.

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BROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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**ACCOUNTANT'S COMPILATION REPORT
ON APPLYING AGREED-UPON PROCEDURES**

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Eugene C. Gilder, CPA*
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L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Babineaux, CPA*
Peter C. Borrello, CPA*
George J. Trappey III, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*
Martha B. Wyatt, CPA*
Troy J. Breaux, CPA*
Fayette T. Dupré, CPA*
Mary A. Castille, CPA*
Joey L. Breaux, CPA*
Terrel P. Dressel, CPA*

Retired:

Sidney L. Broussard, CPA 1980
Leon K. Poché, CPA 1984
James H. Breaux, CPA 1987
Erma R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Gerakline J. Wimberley, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1996
Lawrence A. Cramer, CPA* 1999
Michael P. Crochet, CPA* 1999
Ralph Friend, CPA 2002

To the Mayor and Board of Aldermen
Village of Chataignier, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Chataignier, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Chataignier compliance with certain laws and regulations during the year ended June 30, 2004, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

To the Mayor and Board of Aldermen
Village of Chataignier, Louisiana

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and amendments.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on June 30, 2003, which indicated that the budget had been adopted by the Board of Aldermen of the Village of Chataignier. We traced the amendments to the budget to the minutes of a meeting held on June 28, 2004, which indicated that the budget was amended by the Board of Aldermen of the Village of Chataignier.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures for the year exceeded budgeted amounts by more than 5% in the General Fund.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Mayor and Village Clerk.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:4.1 through 42:13 (the open meetings law).

The Village of Chataignier is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building; the Village made proper notice of each meeting and posted the agendas.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

To the Mayor and Board of Aldermen
Village of Chataignier, Louisiana

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Village for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior year report, dated November 24, 2003, included a comment on the fact that the Village of Chataignier's actual expenditures for the year exceeded budget by more than 5%. This matter is unresolved for the year ended June 30, 2004, and the comment is repeated above in agreed-upon procedure (7).

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Chataignier, Louisiana, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed to the Legislative Auditor as a public document.

BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.

Crowley, Louisiana
November 15, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

10-30-04 (Date Transmitted)

Broussard, Poche, Lewis & Breaux
P.O. Drawer 307
Crowley, LA 70527 (Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No []

Budgeting

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

Yes No []

Accounting and Reporting

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

Yes No []

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

Yes No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes No []

Advances and Bonuses

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

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Secretary _____ Date

Treasurer _____ Date

Hermon Maloney _____
President *Mayor 6-21-04* _____ Date

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.

VILLAGE OF CHATAIGNIER, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended June 30, 2004

Section I. Internal Control and Compliance Material to the Financial Statements

Agreed-upon procedure (7):

The Village's actual expenditures for the year exceeded budgeted amounts by more than 5% in the General Fund.

Management will endeavor to monitor the budget and present amendments to the Board of Aldermen for adoption when necessary.

Section II. Internal Control and Compliance Material to Federal Awards

There were no matters reported relating to reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, related to federal awards for the year ended June 30, 2004.

Section III. Management Letter

There were no matters reported in a separate management letter for the year ended June 30, 2004.

Responsible Party: Herman Malveaux, Mayor

VILLAGE OF CHATAIGNIER, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2004

Section I. Internal Control and Compliance Material to the Financial Statements

Agreed-upon procedure (7):

The Village's actual expenditures for the year exceeded budgeted amounts by more than 5% in the General Fund.

This matter is unresolved and the comment is repeated in the current year report at agreed-upon procedure (7).

Section II. Internal Control and Compliance Material to Federal Awards

There were no matters reported relating to reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs and related Federal awards for the year ended June 30, 2003.

Section III. Management Letter

There were no matters reported in a separate management letter for the year ended June 30, 2003.