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TOWN OF EVERGREEN, LOUISIANA

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 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 5-17-06

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ADLER & PIAS
LLP
CERTIFIED PUBLIC ACCOUNTANTS

William A. Paddie, CPA
W. Stephen Pearce, CPA
Paul W. Blais, CPA

◆
Established 1961

2010 Gus Kaplan Drive
Alexandria, Louisiana 71301-3358

◆
Phone (318) 445-9342
Fax (318) 445-9344

Writer's email: WAPaddie@aol.com

Members
American Institute of
Certified Public Accountants

◆
Society of Louisiana
Certified Public Accountants

The Honorable Drew Robert, Mayor
And the Board of Aldermen
Town of Evergreen, Louisiana

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Evergreen, Louisiana as of June 30, 2005, which collectively comprise the Town of Evergreen's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Evergreen's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the 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 opinion.

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

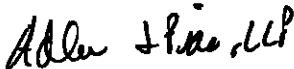
In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2005 on our consideration of the Town of Evergreen's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements 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 considered in conjunction with this report in considering the results of our audit.

The Town of Evergreen 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 a 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 Evergreen's basic financial statements. The required supplementary information on pages 24 through 26 is not a required part of the basic financial statements but is 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 supplementary information. However, we did not audit the information and express no opinion on it.

The other supplementary information on pages 27 and 28 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The prior year partial comparative information has been derived from the Town's June 30, 2004 financial statements which were audited by other auditor's and dated December 22, 2004, they expressed *unqualified* opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate *remaining* fund information.



December 22, 2005

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

TOWN OF EVERGREEN
STATEMENT OF NET ASSETS
JUNE 30, 2005

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets			
Cash and Cash Equivalents	108,020	63,418	171,438
Investments	-0-	100,096	100,096
Receivables	2,326	26,136	28,462
Internal Balances	36,965	13,777	50,742
Total Current Assets	147,310	203,427	350,738
Noncurrent Assets			
Restricted Assets	-0-	74,094	74,094
Capital Assets (Net)	108,282	2,417,522	2,525,804
Total Noncurrent Assets	108,282	2,491,616	2,599,898
TOTAL ASSETS	255,592	2,695,043	2,950,636
LIABILITIES			
Current Liabilities			
Accounts and Other Payables	1,253	3,649	4,902
Bonds Payable	-0-	3,000	3,000
Due to Other Governments	-0-	-0-	-0-
Internal Balances	-0-	45,597	45,597
Other Current Liabilities	831	4,235	5,066
Total Current Liabilities	2,084	56,481	58,565
Noncurrent Liabilities			
Customer Deposits	-0-	4,095	4,095
Bonds Payable	-0-	81,691	81,691
Total Noncurrent Liabilities	-0-	85,786	85,786
TOTAL LIABILITIES	2,084	142,267	144,351
NET ASSETS			
Invested in Capital Assets Net of Related Debt	108,282	2,332,831	2,441,113
Restricted for:			
Debt Service	-0-	57,819	57,819
Unrestricted	145,226	162,126	307,352
TOTAL NET ASSETS	253,508	2,552,776	2,806,284

The accompanying notes are an integral part of these financial statements.

TOWN OF EVERGREEN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Functions/Program	Program Revenues			Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	50,679	11,865	-0-	-0-	(38,814)	-0-	(38,814)
Public Safety	17,664	-0-	3,723	-0-	(13,941)	-0-	(13,941)
Total Governmental Activities	68,343	11,865	3,723	-0-	(52,755)	-0-	(52,755)
Business-Type Activities:							
Water	178,482	162,428	-0-	-0-	-0-	(16,054)	(16,054)
Sewer	52,215	22,019	-0-	-0-	-0-	(30,196)	(30,196)
Interest and Fiscal Charges on Long-Term Debt	4,235	-0-				(4,235)	(4,235)
Total Business-Type Activities	234,932	184,447	-0-	-0-	-0-	(50,485)	(50,485)
Total Primary Government	303,275	196,312	3,723	-0-	(52,755)	(50,485)	(103,240)

General Revenues:

Taxes:						
Ad Valorem Taxes	2,455				-0-	2,455
Franchise and Other Taxes	10,270				-0-	10,270
Grants and Contributions, not restricted to Specific Programs	19,190			15,000		34,190
Fines and Forfeitures	715			2,877		3,592
Interest and Investment Earnings	4,800			-0-		4,800
Rent	9,172			22,289		31,461
Miscellaneous	46,602			40,166		86,768
Total General Revenues	(6,153)	(10,319)	(16,472)			
Change in Net Assets	259,662	2,563,095	2,822,757			
Net Assets, Beginning of Year	253,508	2,552,776	2,806,285			
Net Assets, End of Year						

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

TOWN OF EVERGREEN
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2005

	<u>General Fund</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	108,020
Receivables:	
Other Taxes	44
Other Receivables	2,282
Due from Other Governmental Units	5,145
Due from Other Funds	31,820
TOTAL ASSETS	<u><u>147,310</u></u>
LIABILITIES AND FUND BALANCES	
Current Liabilities	
Accounts Payable	1,253
Accrued Expenses	831
TOTAL LIABILITIES	<u><u>2,084</u></u>
FUND BALANCES:	
Fund Balance:	
Unreserved/Undesignated	145,226
TOTAL FUND BALANCES	<u><u>145,226</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>147,310</u></u>
 Reconciliation to the Statement of Net Assets:	
Fund Balance - Total Governmental Funds	145,226
 <i>Amounts reported for governmental activities are not financial resources and therefore are not reported in the governmental funds</i>	
Buildings, net of \$109,062 accumulated depreciation	41,769
Machinery and Equipment, net of \$30,751 accumulated depreciation	57,831
Vehicles, net of \$47,816 accumulated depreciation	8,683
Net Assets of Governmental Activities	<u><u>253,508</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF EVERGREEN
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

	<u>General Fund</u>
Revenues:	
Taxes:	
Ad Valorem	2,455
Franchise and Other	10,270
Licenses and Permits	11,865
Intergovernmental	22,913
Interest Income	715
Rent	4,800
Miscellaneous	9,172
Total Revenues	<u>62,190</u>
Expenditures:	
Current:	
General Government	38,179
Public Safety	17,664
Capital Outlay	1,500
Total Expenditures	<u>57,343</u>
Excess(Deficiency) of Revenues over Expenditures	<u>4,847</u>
Fund Balances, Beginning of Year	140,381
Fund Balances, End of Year	<u><u>145,228</u></u>
Reconciliation To The Statement of Activities:	
Net Change in Fund Balances - Total Governmental Funds	4,847
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlay	1,500
Depreciation Expense	(12,500)
Change in Net Assets of Governmental Activities	<u><u>(6,153)</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF EVERGREEN
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2005

	<u>Business Type Activities - Enterprise Funds</u>		Total	
	Water Fund	Sewer Fund	(MEMORANDUM ONLY)	
			2005	2004
ASSETS				
Current Assets				
Cash and Cash Equivalents	60,164	3,254	63,418	38,586
Investments	100,096	-0-	100,096	98,493
Accounts Receivables(Net)	23,875	2,261	26,136	48,617
Due from Other Funds	13,777	-0-	13,777	-0-
Total Current Assets	<u>197,912</u>	<u>5,515</u>	<u>203,427</u>	<u>185,696</u>
Noncurrent Assets				
Cash	2,362	37,947	40,309	38,681
Investments	13,911	19,874	33,785	33,244
Capital Assets (Net)	1,108,733	1,308,789	2,417,522	2,457,037
Total Noncurrent Assets	<u>1,125,006</u>	<u>1,366,610</u>	<u>2,491,616</u>	<u>2,528,962</u>
TOTAL ASSETS	<u><u>1,322,918</u></u>	<u><u>1,372,125</u></u>	<u><u>2,695,043</u></u>	<u><u>2,714,658</u></u>
LIABILITIES				
Current Liabilities				
Accounts and Other Payables	3,133	516	3,649	10,867
Due to Other Governments	-0-	-0-	-0-	13,450
Due to Other Funds	37,130	8,467	45,597	31,390
Total Current Liabilities	<u>40,263</u>	<u>8,983</u>	<u>49,246</u>	<u>55,707</u>
Liabilities Payable from Restricted Assets				
Accrued Interest Payable	-0-	4,235	4,235	4,386
Customer Deposits	4,095	-0-	4,095	3,780
Current Portion of Revenue Bonds Payable	-0-	3,000	3,000	3,000
Total Restricted Liabilities	<u>4,095</u>	<u>7,235</u>	<u>11,330</u>	<u>11,166</u>
Noncurrent Liabilities				
Revenue Bonds Payable	-0-	81,691	81,691	84,690
Total Noncurrent Liabilities	<u>-0-</u>	<u>81,691</u>	<u>81,691</u>	<u>84,690</u>
TOTAL LIABILITIES	<u><u>44,358</u></u>	<u><u>97,909</u></u>	<u><u>142,267</u></u>	<u><u>151,563</u></u>
NET ASSETS				
Invested in Capital Assets Net of Related Debt				
Restricted	1,108,733	1,224,098	2,332,831	2,369,347
Unrestricted	-0-	57,819	57,819	55,842
	169,827	(7,701)	162,126	137,906
TOTAL NET ASSETS	<u><u>1,278,560</u></u>	<u><u>1,274,216</u></u>	<u><u>2,552,776</u></u>	<u><u>2,563,095</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF EVERGREEN
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 JUNE 30, 2005

	Business Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Total (MEMORANDUM ONLY)	
			2005	2004
OPERATING REVENUES				
Charges for Services	162,428	22,019	184,447	177,588
Total Operating Revenue	<u>162,428</u>	<u>22,019</u>	<u>184,447</u>	<u>177,588</u>
OPERATING EXPENSES				
Auto Expense	4,513	-0-	4,513	2,790
Collection	1,215	302	1,517	1,179
Dues	2,698	-0-	2,698	2,818
Depreciation	40,772	32,874	73,646	72,845
Engineering	3,168	-0-	3,168	6,398
Insurance	10,517	45	10,562	5,015
Lab Fees	-0-	2,048	2,048	1,526
Legal Advertising	240	-0-	240	132
Legal and Professional	2,700	-0-	2,700	5,450
Office Supplies	1,066	50	1,116	684
Postage	2,302	4	2,306	2,342
Repairs and Maintenance	20,892	2,997	23,889	28,597
Salaries	63,064	600	63,664	57,391
Supplies	7,314	1,022	8,336	6,881
Taxes- Payroll	4,824	46	4,870	4,314
Telephone	1,685	1,491	3,176	3,137
Utilities	11,512	10,736	22,248	18,440
Total Operating Expenses	<u>178,482</u>	<u>52,215</u>	<u>230,697</u>	<u>219,939</u>
Operating Income(Loss)	(16,054)	(30,196)	(46,250)	(42,351)
NONOPERATING REVENUES(EXPENSES)				
Interest Income	2,485	392	2,877	2,676
Grant Proceeds	15,000	-0-	15,000	149,906
Interest Expense	-0-	(4,235)	(4,235)	(4,385)
Miscellaneous	20,820	1,469	22,289	2,144
Total Nonoperating Revenues(Expenses)	<u>38,305</u>	<u>(2,374)</u>	<u>35,931</u>	<u>150,341</u>
Net Income(Loss)	22,251	(32,570)	(10,319)	107,990
Net Assets, Beginning of Year	1,256,309	1,306,786	2,563,095	2,455,105
Net Assets, End of Year	<u>1,278,560</u>	<u>1,274,216</u>	<u>2,552,776</u>	<u>2,563,095</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF EVERGREEN
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2005

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	162,428	22,019	184,447
Payments to Suppliers	(77,290)	(17,461)	(94,751)
Payments to Employees	(63,064)	(600)	(63,664)
Net Cash Provided by Operating Activities	<u>22,074</u>	<u>3,958</u>	<u>26,032</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Grant Proceeds	15,000	-0-	15,000
Other	20,820	1,469	22,289
Net Cash Provided by Noncapital Financing Activities	<u>35,820</u>	<u>1,469</u>	<u>37,289</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Payments on Bonds	-0-	(3,000)	(3,000)
Interest Paid on Bonds	-0-	(4,235)	(4,235)
Capital Expenditures	(34,131)	-0-	(34,131)
Net Cash (Used) by Capital and Related Financing Activities	<u>(34,131)</u>	<u>(7,235)</u>	<u>(41,366)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest	2,485	392	2,877
Net Cash Provided by Investing Activities	<u>2,485</u>	<u>392</u>	<u>2,877</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>26,248</u>	<u>(1,416)</u>	<u>24,832</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>33,916</u>	<u>4,670</u>	<u>38,586</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>60,164</u></u>	<u><u>3,254</u></u>	<u><u>63,418</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(16,054)	(30,196)	(46,250)
Adjustments to reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	40,772	32,874	73,646
Change in Assets and Liabilities:			
Accounts Receivables(Net)	18,246	4,235	22,481
Due from Other Funds	(13,777)	-0-	(13,777)
Accounts and Other Payables	(6,394)	(823)	(7,217)
Due to Other Funds	14,206	-0-	14,206
Investments	(1,790)	(1,982)	(3,772)
Accrued Liabilities	(13,135)	(150)	(13,285)
Net Cash Provided by Operating Activities	<u><u>22,074</u></u>	<u><u>3,958</u></u>	<u><u>26,032</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWN OF EVERGREEN, LOUISIANA

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Evergreen, Louisiana 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 Evergreen was incorporated on the first Monday of April 1872, under the provisions of the State of Louisiana Legislative Act 61, signed and dated April 23, 1872. The Town operates under a Mayor-Board of Aldermen form of government and provides services as authorized by its charter.

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

Governmental Accounting Standards Board (GASB) Statement NO. 14 established criteria for determining which component units should be considered part of the Town of Evergreen for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

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

The Town of Evergreen does not have any component units.

THE TOWN OF EVERGREEN, LOUISIANA

Notes to the Basic Financial Statements

B. Basis of Presentation

Government-Wide Financials Statements (GWFS)

The government-wide financial statements, the statement of net assets and the statement of changes in net assets, report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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. Program revenues include (1) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial statements (FFS)

The accounts of the Town of Evergreen 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.

TOWN OF EVERGREEN, LOUISIANA

Notes to Basic Financial Statements

The major funds of the Town are described below:

Governmental Funds-

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another 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 cost (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, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Measurement Focus/Basis of Accounting

Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. 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.

On the government-wide statements of net assets and statements of activities, both the governmental and business type activities are presented using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these activities are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g. revenues) and decreases (e.g., expenses) in net total assets.

Basis of Accounting

The statements of net assets, statements of activities, and financial statements of the proprietary funds are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred without regard to receipt or disbursement of cash.

TOWN OF EVERGREEN, LOUISIANA

Notes to the Basic Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon 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 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 when the liability is incurred.

D. Assets, Liabilities and Equity

Cash and Investments

The Town of Evergreen's cash and cash equivalents consist of cash on hand and amount in demand deposit accounts and interest bearing demand deposits. Investments consist of passbook savings accounts, and certificates of deposit of the Town of Evergreen.

Interfund receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans.) Interfund receivables and payables between the governmental activities and business-type activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Receivables

Business type activities report customer's utility and sewer service receivables as the major receivables. Uncollectible amounts due for customer's utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' water and sewer receivables were immaterial at June 30, 2005.

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, grant account, and utility meter deposits.

TOWN OF EVERGREEN, LOUISIANA

Notes to the Basic Financial Statements

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide 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 of Evergreen capitalizes fixed assets that will benefit the Town for more than one year, regardless of cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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	5-20 years
Utility System & Improvements	20-40 years
Infrastructure	20-40 years

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

Long-term debt

In the government-wide statements, all long-term debt is reported as liabilities and is repaid from governmental and business-type resources. The long-term debt consists mainly of revenue bonds and utility meter deposits.

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

Compensated Absences

Employees of the Town are not covered under any specific vacation or sick leave policy therefore there are no accumulations of such absences to be accrued as a liability in the financial statements. It is the Town's policy to recognize the cost of compensated absences when actually paid to employees.

TOWN OF EVERGREEN, LOUISIANA

Notes to the Basic Financial Statements

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 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 governmental-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. In the fund financial statements, the governmental funds expenditures are classified by character and the proprietary fund expenditures are classified by operating and nonoperating.

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating 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 has been eliminated.

TOWN OF EVERGREEN, LOUISIANA

Notes to the Basic Financial Statements

F. Budget and Budgetary Accounting

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

1. Prior to June 1, the Town Accountant prepares a proposed budget and submits this budget to the mayor and the Board of Aldermen no later than 15 days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for 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 an ordinance 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, 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.

G. 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 the 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 result may differ from those estimates.

TOWN OF EVERGREEN, LOUISIANA

Notes to Basic Financial Statements

Note 2. Cash and Interest-Bearing Deposits

Under the 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 office in Louisiana. At June 30, 2005, the Town had cash and interest-bearing deposits (bank balances) as follows:

Demand Deposits	271,534
Time Deposits	<u>74,094</u>
Total	345,628
FDIC Insurance	(200,000)
Amount covered by Pledged Securities	<u>(96,300)</u>
Uninsured Deposits	<u>49,328</u>

Balances in time deposits are reflected as investments since they represent interest-bearing certificates of deposits with maturities greater than ninety days.

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

Note 3. Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town on October 1 and payable on December 31. 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 Avoyelles Parish. Town property taxes are budgeted in the year billed.

For the year ended June 30, 2005, taxes of 6.40 mills were levied on property with assessed valuations totaling \$590,770 and were dedicated as follows:

General Ad Valorem Tax	6.40 mills
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TOWN OF EVERGREEN, LOUISIANA

Notes to the Basic Financial Statements

Note 4. Receivables

Receivables at June 30, 2005 of 28,461 consist of the following:

	General	Enterprise
Occupational License	-0-	-0-
Franchise Fees	2,282	-0-
Property Tax	-0-	-0-
Beer Tax	43	-0-
Utilities	<u>-0-</u>	<u>26,136</u>
Totals	<u>2,325</u>	<u>26,136</u>

Note 5. Interfund Receivables, Payables

	Interfund Receivables	Interfund Payables
General Fund	51,351	19,531
Water Fund	13,777	37,130
Sewer Fund	<u>-0-</u>	<u>8,467</u>
Total	<u>65,128</u>	<u>65,128</u>

Note 6. Due from other Governmental Units

Amounts due from governmental units at June 30, 2005 consisted of the following:

General Fund:

Amount due from the Police Jury for Indian Affairs revenues earned during fiscal year ending June 30, 2005 4,086

Amount due from the State of Louisiana's Department of Transportation and Development during fiscal year ending June 30, 2005 1,059

Total due from other governmental units 5,145

TOWN OF EVERGREEN, LOUISIANA
Notes to the Basic Financial Statements

Note 7. Restricted Assets-Proprietary Fund Type

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

Revenue bond reserve account	10,749
Revenue contingency account	10,750
Bond and Interest Redemption	36,275
Customer's deposits	13,911
Grant	<u>45</u>
 Total restricted assets	 <u>71,730</u>

Note 8. Capital Assets

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

	<u>Balance</u> <u>06/30/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/05</u>
Governmental activities:				
Capital Assets:				
Buildings	150,830	-	-	150,830
Equipment, furniture and fixtures	87,081	1,500	-	88,581
Vehicles	<u>56,499</u>	<u>-</u>	<u>-</u>	<u>56,499</u>
Totals	<u>294,410</u>	<u>1,500</u>	<u>-</u>	<u>295,910</u>
 Less accumulated depreciation				
Buildings	107,127	1,935	-	109,062
Equipment, furniture and fixtures	24,424	6,326	-	30,750
Vehicles	<u>43,577</u>	<u>4,240</u>	<u>-</u>	<u>47,817</u>
Total accumulated depreciation	<u>175,129</u>	<u>12,500</u>	<u>-</u>	<u>187,629</u>
 Governmental activities				
Capital assests, net	<u>119,282</u>	<u>11,000</u>	<u>-</u>	<u>108,282</u>
 Capital Assets				
	<u>Balance</u> <u>06/30/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/05</u>
Business Type activities:				
Capital Assets:				
Land	9,765	-	-	9,765
Water System & Imp	1,675,248	27,729	-	1,702,976
Machinery & Equip-Water	66,996	741	-	67,736
Vehicles	10,889	1,011	-	11,900
Sewer System	1,606,779	-	-	1,606,779
Machinery & Equip-Sewer	3,375	-	-	3,375
Improvements	<u>7,385</u>	<u>-</u>	<u>-</u>	<u>7,385</u>
Total	<u>3,380,437</u>	<u>29,481</u>	<u>-</u>	<u>3,409,918</u>

TOWN OF EVERGREEN, LOUISIANA

Notes to the Basic Financial Statements

Less Accumulated Depreciation

Water System & Imp	579,538	31,970	-	611,508
Machinery & Equip-Water	57,798	2,867	-	60,665
Vehicles	10,186	1,286	-	11,471
Sewer System	269,843	32,136	-	301,978
Machinery & Equip-Sewer	3,375	-	-	3,375
Improvements	<u>2,660</u>	<u>739</u>	-	<u>3,398</u>
	<u>923,400</u>	<u>68,998</u>	-	<u>992,395</u>
 Business-type activities, Capital assets, net	 <u>2,457,037</u>	 <u>39,514</u>	 <u>-</u>	 <u>2,417,523</u>

Depreciation expense was charged to governmental activities as follows:

General Government	12,500
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Depreciation expense was charged to business-type activities as follows:

Water	40,772
Sewer	<u>32,874</u>
 Total depreciation expense	 <u>73,646</u>

Note 9. Accounts and Other Payables

The accounts and other payables consisted of the following as of June 30, 2005:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	92	3,649	3,741
Other liabilities	<u>1,992</u>	-	<u>1,992</u>
Totals	<u>2,084</u>	<u>3,649</u>	<u>5,733</u>

Note 10. Changes in Long-Term Debt

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

Sewer

Revenue Bonds Payable at June 30, 2005	84,691
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TOWN OF EVERGREEN, LOUISIANA

Notes to the Basic Financial Statements

Debt issue payable at June 30, 2005 is comprised of the following individual issue:

Sewer Revenue Bond of \$134,000 dated August 12, 1983, due in annual installments of \$2,000 to \$8,000 beginning August 12, 1986 through August 12, 2023, interest payable annually on each anniversary date at 5 % (this issue is secured by the income and revenues to be derived from the operation of the sewer system).

84,691

The annual requirements to amortize all debt outstanding as of June 30, 2005 including interest payments of \$57,786 are as follows:

<u>Year ending</u> <u>June 30</u>	<u>Sewer</u> <u>Revenue</u>
2005	7,235
2006	7,085
2007	6,935
2008	6,785
2009-2023	<u>110,052</u>
	<u>138,092</u>

Note 11. Flows of Funds; Restrictions on Use-Utilities Revenues

Revenue Bonds:

- A. Under the terms of the bond indentures on outstanding Sewer Revenue Bonds dated August 12, 1983, all income and revenue (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Sewerage System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

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

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

Funds will also be set aside into a "Contingency Fund". Money in this fund may be used to care for depreciation, extensions, improvements, and replacements to the system , which are necessary to keep the system in operation condition. Money in this fund may also be used to pay

TOWN OF EVERGREEN, LOUISIANA

Notes to the Basic Financial Statements

principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

- B. The Town of Evergreen was in compliance with all significant limitations and restrictions in the Bond indentures at June 30, 2005.

Note 12.

Retirement Commitments

All employees of the Town of Evergreen are members of the Federal Social Security system. The Town and its employees contribute a percentage of each employee's salary to the system (7.65% contributed by the Town; 7.65% by the employee). The Town's contribution during the year ended June 30, 2005, amounted to \$6,309.

Note 13.

Segment Information for the Enterprise Fund

The Town of Evergreen maintains two enterprise funds which provide water and sewerage services. Segment information for the year ended June 30, 2005 was as follows:

	<u>Water</u>	<u>Sewerage</u>	<u>Total Enterprise Fund</u>
Charges for services and other revenues	162,428	22,019	184,447
Operating expenses-			
Depreciation	40,772	32,874	73,646
Other expenses	<u>137,710</u>	<u>19,341</u>	<u>157,051</u>
Total operating expenses	178,482	52,215	230,697
Operating income/(loss)	<u>(16,054)</u>	<u>(30,196)</u>	<u>(46,250)</u>

Note 14.

Franchise Agreements

The Town entered into franchise agreements with various public utility companies that provide services within the corporate limits of the Town. A summary of each such agreement follows:

1. Central Louisiana Electric Company, Inc. (CLECO) effective July 8, 1996 for period of twenty-five years (25). Franchise fee is based on four percent (4%) of the gross receipts from sale and delivery of electric energy for residential and commercial purposes billed on commercial and residential rates within the limits of the Town. Fees are payable on an annual basis. Other franchise provisions are as follows:

Franchise payments will be reduced in an amount equal to the sum of any new or increased taxes of any nature whatsoever levied by the municipality and payable by CLECO (except uniform ad valorem taxes, based on property values).

TOWN OF EVERGREEN, LOUISIANA

Notes to the Basic Financial Statements

2. Charter Communications- Charter Communications purchased Laribay Cablevision and assumed the contract with Laribay effective in 1988 for a period of twenty (20) years. The franchise fee is based on three percent (3%) of gross subscription receipts, less state sales taxes, federal excise tax and copyright received by the company within the Town city limits. Fees are payable to the Town semi-annually.
3. Reliant Energy Entex, Inc.-effective August 14,1995, for a period of fifteen (15) years. Franchise fees is based on four percent (4%) of the gross receipts from the sale of gas for residential and commercial purposes billed on residential and commercial rates within the limits of the Town. Fees are payable on or before the 10th day of each February.
4. Bell South, Inc.- Bell South pays a franchise fee based on five percent (5%) of the gross receipts from local exchange telephone services for residential and commercial purposes billed on established rates provided within the corporate limits of the Town. Fees are payable to the Town in quarterly installments.

Note 15.

Litigation

At June 30, 2005, the Town of Evergreen, Louisiana was not involved in any litigation that would materially affect the financial statements.

Note 16.

Compensation of Town Officials

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

	<u>Office</u>	<u>Date Term Expires/Resigned</u>	<u>Amount of Compensation</u>
Drew Roberts	Mayor	December 2006	3,000
Raymond Ducote	Alderman	December 2006	600
Kenneth Jans	Alderman	December 2006	600
Lyman Hayes	Alderman	December 2006	600
Wanda Clark	Alderman	December 2006	600
John Armand	Alderman	December 2006	600
			<u>6,000</u>

REQUIRED SUPPLEMENTAL INFORMATION

**TOWN OF EVERGREEN
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARITIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004**

	2005			Variance Favorable (Unfavorable)	2004
	Original Budget	Final Budget	Actual Amounts		Actual
Revenues					
Ad valorem taxes	3,800	3,553	2,455	(1,098)	3,328
Franchise and other taxes	8,200	8,324	10,270	1,946	10,497
License and permits	8,072	8,672	11,865	3,193	18,165
Intergovernmental	29,450	22,913	22,913	-0-	31,705
Interest income	300	425	715	290	-0-
Grant proceeds	4,000	-0-	-0-	-0-	-0-
Rent	4,800	4,800	4,800	-0-	4,800
Miscellaneous	40	-0-	9,172	9,172	413
Total Revenues	<u>58,662</u>	<u>48,687</u>	<u>62,190</u>	<u>13,503</u>	<u>68,908</u>
Expenditures					
General government:					
Administration	41,960	43,719	38,179	5,540	43,169
Public safety:					
Police	3,675	3,675	4,125	(450)	4,865
Fire department	3,875	3,875	13,539	(9,664)	4,025
Capital outlay	11,000	11,000	1,500	9,500	-0-
Total Expenditures	<u>60,510</u>	<u>62,269</u>	<u>57,343</u>	<u>4,926</u>	<u>52,059</u>
Excess (deficiency) of revenues over expenditures	(1,848)	(13,582)	4,847	18,429	16,849
Fund Balance-Beginning of year	129,712	129,712	129,712	-0-	123,532
Fund Balance-End of year	<u>127,864</u>	<u>116,130</u>	<u>134,559</u>	<u>-0-</u>	<u>140,381</u>

**TOWN OF EVERGREEN, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-EXPENDITURES
FOR THE YEAR ENDED JUNE 30,2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30,2004**

	<u>2005</u>			<u>2004</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
EXPENDITURES					
General government					
Dues	1,000	1,031	1,081	(50)	692
Engineering expense	-0-	-0-	961	(961)	300
Insurance	3,800	3,072	6,119	(3,047)	11,600
Legal and professional	6,500	6,850	7,450	(600)	4,950
Miscellaneous	40	374	(3,002)	3,376	1,367
Office expense	1,300	613	453	160	464
Postage	50	74	74	-0-	148
Mayor-Salary	3,000	3,000	3,000	-0-	3,000
Publication of minutes	900	143	542	(399)	296
Rent and lease expense	70	56	56	-0-	36
Repairs and maintenance	600	455	501	(46)	321
Supplies	-0-	-0-	233	(233)	345
Taxes-payroll	350	1,441	1,368	73	1,148
Travel	1,650	1,151	586	565	-0-
Telephone	1,400	-0-	-0-	-0-	-0-
Service charges	-0-	-0-	-0-	-0-	20
Utilities	6,300	6,684	6,557	127	6,275
Salaries	15,000	18,775	12,200	6,575	12,207
Total General government	<u>41,960</u>	<u>43,719</u>	<u>38,179</u>	<u>5,540</u>	<u>43,169</u>

TOWN OF EVERGREEN, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-EXPENTURES
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30,2004

	2005			Variance Favorable (Unfavorable)	2004
	Original Budget	Final Budget	Actual		Actual
Public safety					
Fire Department					
Insurance	1,300	1,300	6,884	(5,584)	2,529
Miscellaneous	1,000	1,000	5,214	(4,214)	2
Repairs and maintenance	-0-	-0-	-0-	-0-	47
Travel	75	75	-0-	75	-0-
Utilities	1,500	1,500	1,441	59	1,447
Total Fire Department	<u>3,875</u>	<u>3,875</u>	<u>13,539</u>	<u>(9,664)</u>	<u>4,025</u>
Police Department					
Salaries	3,400	3,400	3,600	(200)	3,600
Taxes-payroll	275	275	275	-0-	260
Fuel	-0-	-0-	250	(250)	419
Insurance	-0-	-0-	-0-	-0-	586
Total Police Department	<u>3,675</u>	<u>3,675</u>	<u>4,125</u>	<u>(450)</u>	<u>4,865</u>
Total Public Safety	7,550	7,550	17,664	(10,114)	8,890
Capital Outlay					
General government	7,000	7,000	1,500	5,500	-0-
Public safety	4,000	4,000	-0-	4,000	-0-
Total Capital Outlay	<u>11,000</u>	<u>11,000</u>	<u>1,500</u>	<u>9,500</u>	<u>-0-</u>
TOTAL EXPENDITURES	<u>60,510</u>	<u>62,269</u>	<u>57,343</u>	<u>4,926</u>	<u>52,059</u>

OTHER SUPPLEMENTARY SCHEDULES

**TOWN OF EVERGREEN, LOUISIANA
WATER SYSTEM FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30,2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30,2004**

	2005			Variance Favorable (Unfavorable)	2004
	Original Budget	Final Budget	Actual		Actual
Operating Revenues					
Charges for service	122,000	190,139	158,912	(31,227)	148,663
Late charges	3,300	3,480	3,517	37	2,708
Total operating revenues	<u>125,300</u>	<u>193,619</u>	<u>162,428</u>	<u>(31,190)</u>	<u>151,371</u>
Operating Expenses					
Auto Expense	0	0	4,513	(4,513)	2,790
Collection	900	1,221	1,215	6	922
Dues	2,500	2,498	2,698	(200)	2,818
Depreciation	38,000	54,412	40,772	13,640	44,700
Engineering Fees	0	0	3,168	(3,168)	5,005
Insurance	6,500	7,620	10,517	(2,897)	4,970
Legal advertising	100	170	240	(70)	0
Legal and professional	6,000	4,662	2,700	1,962	5,450
Office supplies	450	929	1,066	(137)	949
Miscellaneous	700	786	0	786	(26)
Postage	2,000	2,270	2,302	(32)	2,189
Repairs and maintenance	22,000	18,366	20,892	(2,526)	24,457
Salaries	48,000	61,856	63,064	(1,208)	56,791
Supplies	2,000	6,412	7,314	(902)	6,770
Taxes-payroll	3,000	4,751	4,824	(73)	4,268
Telephone	1,500	1,700	1,685	15	1,615
Truck Expense	2,000	3,424	0	3,424	0
Utilities	9,800	11,258	11,511	(253)	10,746
Total Operating Expenses	<u>145,450</u>	<u>182,335</u>	<u>178,482</u>	<u>3,854</u>	<u>174,414</u>
Operating income (loss)	<u>(20,150)</u>	<u>11,284</u>	<u>(16,054)</u>	<u>(27,338)</u>	<u>(23,043)</u>
Non Operating Revenues (Expenses)					
Interest income	7,000	2,760	2,485	(275)	2,287
Grant Proceeds	0	0	15,000	15,000	
Miscellaneous	0	0	20,820	20,820	2,144
Total non operating revenues(expenses)	<u>7,000</u>	<u>2,760</u>	<u>38,305</u>	<u>35,545</u>	<u>4,431</u>
Net Income (Loss)	<u>(13,150)</u>	<u>14,044</u>	<u>22,251</u>	<u>8,207</u>	<u>(18,612)</u>

**TOWN OF EVERGREEN, LOUISIANA
SEWER SYSTEM FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30,2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30,2004**

	<u>2005</u>			<u>Variance Favorable (Unfavorable)</u>	<u>2004</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenues					
Charges for services	23,000	28,730	22,019	(6,711)	26,217
Late charges	500	0	0	0	0
Total operating revenues	<u>23,500</u>	<u>28,730</u>	<u>22,019</u>	<u>(6,711)</u>	<u>26,217</u>
Operating Expenses					
Collection	200	307	302	5	257
Depreciation	41,400	15,733	32,874	(17,141)	28,145
Engineering expense	2,000	0	0	0	1,393
Dues & fees	0	0	0	0	1,522
Insurance	150	44	45	(1)	45
Lab fees	1,000	2,018	2,048	(30)	1,346
Legal and professional	200	0	0	0	0
Miscellaneous	400	1,473	0	1,473	153
Office supplies	400	84	50	34	74
Postage	0	0	4	(4)	0
Repairs and maintenance	900	3,340	2,997	343	4,140
Salaries	600	600	600	0	600
Supplies	50	1,122	1,022	100	111
Taxes-payroll	40	46	46	0	46
Telephone	0	0	1,491	(1,491)	0
Utilities	2,900	9,993	10,736	(743)	7,693
Total operating expenses	<u>50,240</u>	<u>34,760</u>	<u>52,215</u>	<u>(17,455)</u>	<u>45,525</u>
Operating income(loss)	(26,740)	(6,030)	(30,196)	(24,166)	(19,308)
Nonoperating Revenues(Expenses)					
Interest income	1,500	1,273	392	(881)	389
Grant proceeds	242,000	0	0	0	149,906
Miscellaneous	0	0	1,469	1,469	
Interest expense	(5,000)	0	(4,235)	(4,235)	(4,385)
Total Nonoperating revenues(expenses)	<u>238,500</u>	<u>1,273</u>	<u>(2,374)</u>	<u>(3,647)</u>	<u>145,910</u>
Net Income (Loss)	<u>211,760</u>	<u>(4,757)</u>	<u>(32,570)</u>	<u>(27,813)</u>	<u>126,602</u>

ADLER & PIAS
L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

William A. Paddie, CPA
W. Stephen Pearce, CPA
Paul W. Blais, CPA

Established 1961

2010 Gus Kaplan Drive
Alexandria, Louisiana 71301-3358

Phone (318) 445-9342
Fax (318) 445-9344

Writer's email: WAPaddie@aol.com

Members
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

**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 Drew Robert, Mayor
And the Board of Aldermen
Town of Evergreen, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Evergreen, Louisiana as of and for the year ended June 30, 2005, which collectively comprise The Town of Evergreen's basic financial statements and have issued our report thereon dated December 22, 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 of Evergreen'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 errors 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Evergreen'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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor, Board of Aldermen and management of the Town of Evergreen and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Adler & Son, LLC

December 22, 2005

TOWN OF EVERGREEN

SCHEDULE OF CORRECTIVE ACTIONS TAKEN ON PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005

Part 1 Internal Control Over Financial Reporting

There were no prior year findings applicable to internal control over financial reporting.

Part 2 Compliance

04-1 Property Tax Collections

Finding:

Tax liens are not being filed for all delinquent property taxes.

Current Status:

The Town is working with the Town's attorney on proper collection procedures.

04-2 Budget Compliance

Finding:

The Town's Special Revenue Fund revenues and expenditures and the General Fund revenues exceeded budget amounts by more than 5%.

Current Status:

The Town is utilizing the budget and makes revisions as they are necessitated.

Part 3 Findings and Questioned Costs Relating to Federal Programs

There were no prior year findings or questioned costs relating to federal programs as defined in OMB Circular A-133 Section 510.

TOWN OF EVERGREEN

SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2005

Part 1 Summary of Auditor's Results

Financial Statements

Auditor's Report

An unqualified opinion has been issued on the Town of Evergreen, Louisiana's basic financial statements as of and for the year ended June 30, 2005.

Reportable Conditions

There were no reportable conditions in internal control over financial reporting required to be disclosed during the audit of the financial statements.

Part 2 Compliance

There were no reportable conditions in compliance over financial reporting required to be disclosed during the audit of the financial statements.

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COUNCIL ON ALCOHOLISM AND DRUG ABUSE
OF NORTHWEST LOUISIANA, INC.
SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

June 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 5-17-06

Marsha O. Millican
Certified Public Accountant
Shreveport, Louisiana