

Financial Report
Town of Golden Meadow, Louisiana
December 31, 2001

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 3/27/02

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December 31, 2001

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FINANCIAL SECTION



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Honorable Joey Bouziga, Mayor,
and the Members of the Town Council
Town of Golden Meadow, Louisiana.

We have audited the accompanying general-purpose financial statements of the Town of Golden Meadow, Louisiana (the Town) as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Golden Meadow, Louisiana, as of December 31, 2001, and the results of its operations and its cash flows 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 February 18, 2002 on our consideration of the Town of Golden Meadow, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of the Town of Golden Meadow, Louisiana taken as a whole. The combining statements and individual fund and account group schedules and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the Town of Golden Meadow, Louisiana. Such information, except for the Statistical Information Section marked "Unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements, and, in our opinion, the information is fairly presented in, all material respects, in relation to the general-purpose financial statements taken as a whole.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
February 18, 2002.

GENERAL-PURPOSE FINANCIAL STATEMENTS

**COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS**

Town of Golden Meadow, Louisiana

December 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets				
Cash and cash equivalents	\$ 201,878	\$ 722,495	\$ 66,523	\$ 92
Investments	40,266	35,705	-	-
Receivables (net, where applicable of allowances for uncollectibles):				
Taxes	35,375	86,987	1,964	-
Accounts	11,794	-	-	-
Unbilled service revenues	-	-	-	-
Due from other funds	31,490	663	-	4,451
Due from other governmental units	17,722	26,355	-	13,067
Restricted assets - cash and cash equivalents	-	-	-	-
Fixed assets - net	-	-	-	-
Other Debits				
Amount available in Debt Service Fund	-	-	-	-
Total assets and other debits	\$ 338,525	\$ 872,205	\$ 68,487	\$ 17,610
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable and accrued expenditures	\$ 46,724	\$ -	\$ -	\$ -
Payable from restricted assets	-	-	-	-
Due to other funds	67,985	-	-	1,523
Deferred revenue	42,490	106,322	-	-
Contracts payable	-	-	-	16,087
Bonds payable	-	-	-	-
Total liabilities	157,199	106,322	-	17,610
Equity and Other Credits				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Unreserved:				
Designated	-	-	-	-
Undesignated	-	-	-	-
Fund balances:				
Unreserved:				
Designated	-	-	68,487	-
Undesignated	181,326	765,883	-	-
Total equity and other credits	181,326	765,883	68,487	-
Total liabilities, equity and other credits	\$ 338,525	\$ 872,205	\$ 68,487	\$ 17,610

See notes to financial statements.

Exhibit A

Proprietary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Enterprise			
\$ 149,529	\$ -	\$ -	\$ 1,140,517
6,903	-	-	82,874
-	-	-	124,326
7,564	-	-	19,358
60,038	-	-	60,038
62,872	-	-	99,476
-	-	-	57,144
49,731	-	-	49,731
1,717,165	4,113,777	-	5,830,942
-	-	40,000	40,000
<u>\$ 2,053,802</u>	<u>\$ 4,113,777</u>	<u>\$ 40,000</u>	<u>\$ 7,504,406</u>
\$ 34,838		\$ -	\$ 81,562
49,731		-	49,731
29,968		-	99,476
-		-	148,812
-		-	16,087
-		40,000	40,000
<u>114,537</u>		<u>40,000</u>	<u>435,668</u>
1,779,140	\$ -		1,779,140
-	4,113,777		4,113,777
27,310	-		27,310
132,815	-		132,815
-	-		68,487
-	-		947,209
<u>1,939,265</u>	<u>4,113,777</u>		<u>7,068,738</u>
<u>\$ 2,053,802</u>	<u>\$ 4,113,777</u>	<u>\$ 40,000</u>	<u>\$ 7,504,406</u>

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

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)
Revenues					
Taxes	\$ 42,394	\$ 359,632	\$ -	\$ -	\$ 402,026
Fines and forfeitures	272,498	-	-	-	272,498
Intergovernmental	211,156	34,119	-	220,044	465,319
Licenses and permits	83,149	-	-	-	83,149
Franchise fees	73,443	-	-	-	73,443
Charges for services	25,438	-	-	-	25,438
Investment income	8,186	25,738	2,749	-	36,673
Miscellaneous	19,328	-	-	-	19,328
Total revenues	735,592	419,489	2,749	220,044	1,377,874
Expenditures					
Current:					
General government	160,716	-	-	-	160,716
Public safety	313,904	-	-	-	313,904
Streets and highways	224,968	-	-	-	224,968
Sanitation	21,901	-	-	-	21,901
Drainage and levee	236,479	-	-	-	236,479
Culture and recreation	62,006	-	-	-	62,006
Civil defense	70	-	-	-	70
Capital outlay	-	-	-	225,245	225,245
Debt service:					
Principal retirement	-	-	33,000	-	33,000
Interest and fiscal charges	-	-	3,656	-	3,656
Total expenditures	1,020,044	36,656	225,245	1,281,945	1,281,945
Excess (deficiency) of revenues over expenditures	(284,452)	419,489	(33,907)	(5,201)	95,929
Other Financing Sources (Uses)					
Proceeds from the sale of assets	2,364	-	-	-	2,364
Operating transfers in	339,844	-	-	4,451	344,295
Operating transfers out	(4,451)	(339,844)	-	-	(344,295)
Total other financing sources (uses)	337,757	(339,844)	-	4,451	2,364
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	53,305	79,645	(33,907)	(750)	98,293
Fund Balances					
Beginning of year	128,021	686,238	102,394	750	917,403
End of year	\$ 181,326	\$ 765,883	\$ 68,487	\$ -	\$ 1,015,696

See notes to financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS**

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$ 42,000	\$ 42,394	\$ 394
Fines and forfeitures	269,485	272,498	3,013
Intergovernmental	192,477	211,156	18,679
Licenses and permits	82,650	83,149	499
Franchise fees	76,436	73,443	(2,993)
Charges for services	21,950	25,438	3,488
Investment income	5,630	8,186	2,556
Miscellaneous	18,362	19,328	966
Total revenues	708,990	735,592	26,602
Expenditures			
Current:			
General government	160,782	160,716	66
Public safety	295,594	313,904	(18,310)
Streets and highways	202,976	224,968	(21,992)
Sanitation	22,735	21,901	834
Drainage and levee	233,847	236,479	(2,632)
Culture and recreation	61,794	62,006	(212)
Civil defense	70	70	-
Total expenditures	977,798	1,020,044	(42,246)
Excess (deficiency) of revenues over expenditures	(268,808)	(284,452)	(15,644)
Other Financing Sources (Uses)			
Proceeds from the sale assets	2,364	2,364	-
Operating transfers in	315,000	339,844	24,844
Operating transfers out	-	(4,451)	(4,451)
Total other financing sources (uses)	317,364	337,757	20,393
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 48,556	53,305	\$ 4,749
Fund Balances			
Beginning of year		128,021	
End of year		\$ 181,326	

See notes to financial statements.

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 363,045	\$ 359,632	\$ (3,413)
-	-	-
34,207	34,119	(88)
-	-	-
-	-	-
31,410	25,738	(5,672)
-	-	-
<u>428,662</u>	<u>419,489</u>	<u>(9,173)</u>

<u>428,662</u>	<u>419,489</u>	<u>(9,173)</u>
-	-	-
<u>(315,000)</u>	<u>(339,844)</u>	<u>(24,844)</u>
<u>(315,000)</u>	<u>(339,844)</u>	<u>(24,844)</u>
<u>\$ 113,662</u>	79,645	<u>\$ (34,017)</u>
	<u>686,238</u>	
	<u>\$ 765,883</u>	

**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES**

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	<u>Enterprise Funds</u>
Operating Revenues	
Sales and service charges	\$ 496,170
Miscellaneous	4,014
	<u>500,184</u>
Operating Expenses	
Salaries	100,644
Per diem	13,389
Payroll taxes	7,596
Retirement	6,494
Hospitalization insurance	13,509
Utilities and telephone	12,047
Repairs and maintenance	39,493
Truck	3,983
Other insurance	6,692
Office	4,042
Postage and freight	1,606
Legal and auditing	7,000
Travel	2,884
Gas purchases	233,305
Bad debts	8,530
Depreciation	50,155
Miscellaneous	541
	<u>511,910</u>
Total operating expenses	<u>511,910</u>
Operating loss	(11,726)
Nonoperating Revenues	
Investment income	4,433
	<u>4,433</u>
Net loss	(7,293)
Depreciation Transferred to Contributed Capital	<u>34,788</u>
Net Income Transferred to Retained Earnings	27,495
Retained Earnings	
Beginning of year	<u>132,630</u>
End of year	<u>\$ 160,125</u>

See notes to financial statements.

COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	<u>Enterprise Funds</u>
Cash Flows from Operating Activities	
Operating loss	<u>\$ (11,726)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	50,154
(Increase) decrease in assets:	
Receivables	37,018
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(49,715)
Customer deposits	1,536
Due to other funds	<u>3,807</u>
Total adjustments	<u>42,800</u>
Net cash provided by operating activities	<u>31,074</u>
Cash Flows from Investing Activities	
Proceeds from maturities of investments	1,205
Investment income	<u>4,433</u>
Net cash provided by investing activities	<u>5,638</u>
Net Increase in Cash and Cash Equivalents	36,712
Cash and Cash Equivalents	
Beginning of year	<u>162,548</u>
End of year	<u><u>\$ 199,260</u></u>

See notes to financial statements.

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Town of Golden Meadow, Louisiana

December 31, 2001

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NOTES TO FINANCIAL STATEMENTS

Town of Golden Meadow, Louisiana

December 31, 2001

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Golden Meadow, Louisiana (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The more significant accounting policies of the Town are described below:

A. Reporting Entity

The Town of Golden Meadow, Louisiana was incorporated July 17, 1950, under the provisions of Act 136 (Lawrson Act) of 1898, State of Louisiana. The Town operates under a Mayor-Town Council form of government and provides the following services as authorized by its charter: public safety, streets and highways, drainage, sanitation, culture-recreation, gas distribution system, sewerage, planning and zoning, and general administrative services.

The Town's combined financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

The organization is legally separate (can sue and be sued in their own name).

The Town holds the corporate powers of the organization.

The Town appoints a voting majority of the organization's board.

The Town is able to impose its will on the organization.

The organization has the potential to impose a financial benefit/burden on the Town.

There is fiscal dependency by the organization on the Town.

Based on the aforementioned criteria, the Town of Golden Meadow, Louisiana has no component units.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The transactions of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are ordered into two major categories, governmental and proprietary. Funds within each major category are grouped by fund type in the combined financial statements. The funds and account groups used by the Town are as follows:

Governmental Fund Types:

Governmental Funds are those through which general governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in Proprietary Funds) are accounted for through Governmental Funds. The following are the Town's Governmental Fund types.

General Fund

The General Fund is the main operating fund of the Town. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue resources (other than assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. These funds include sales tax, levee and drainage maintenance taxes, and street.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Governmental Fund Types: (Continued)

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

Capital Projects Funds

The Capital Projects Funds are used to account for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds) being financed from General Obligation or Certificates of Obligation Bonds proceeds, grants or transfers from other funds. These funds include a walking trail, the LCDBG Economic Development Project, and the Williams Lane drainage project.

Proprietary Fund Type:

Proprietary Funds are accounted for on a flow of economic resources measurement focus. The accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a Proprietary Fund's activities are included on its balance sheet. Proprietary Fund equity is segregated into contributed capital and retained earnings. The following is the Town's Proprietary Fund type:

Enterprise Funds

The Enterprise Funds are used for activities which are financed and operated in a manner similar to private business enterprise 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 where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. These funds include gas distribution and sewer systems.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Account Groups:

Account groups are used to establish accounting control and accountability for the Town's general fixed assets and general long-term debt obligations. 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

This account group is established to account for all fixed assets of the Town other than those assets accounted for in the Proprietary Funds. Capital outlays in funds other than Proprietary Funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded for control purposes in the General Fixed Assets Account Group.

General Long-Term Debt Account Group

This account group is established to account for all of the Town's long-term debt and governmental fund compensated absences that will be financed from general governmental resources. Long-term liabilities of all Proprietary Funds are accounted for in those funds.

C. Measurement Focus/Basis of Accounting

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

Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Ad valorem taxes are recorded as revenue in the period for which levied; thus, the current year property taxes which are being levied to finance the subsequent year's budget are recorded as revenue for the subsequent fiscal year. The 2001 tax levy is recorded as deferred revenue in the Town's 2001 financial statements. Sales taxes are considered "measurable" when in the hands of merchants and are recognized as revenue at that time.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus/Basis of Accounting (Continued)

Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Other revenues susceptible to accrual are franchise fees, interest income and intergovernmental revenues. Licenses, permits, fines, forfeitures, and miscellaneous revenues are recorded as revenues when received in cash by the Town or an intermediary collecting agency because they are generally not measurable until actually received.

The Proprietary Fund Types are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recorded when they are earned, including unbilled gas and sewer services which are accrued. Expenses are recorded at the time liabilities are incurred.

D. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Budgets

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- a. Not later than December 16, a proposed operating budget for the year commencing the following January 1 shall be submitted to the Town Council. The operating budget includes proposed expenditures and the means of financing them.
- b. The Town Council conducts public hearings to obtain taxpayer comments.
- c. All actions necessary to adopt and otherwise finalize and implement the budget for an ensuing year are taken prior to the end of the year in progress.
- d. The level of budgetary control is at the fund, department or project level and any amendment involving the transfer of monies from one fund, department or project to another or any amendment for amounts exceeding any current expenditure amount budgeted must be approved by the Town Council.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets (Continued)

- e. All budgeted amounts, which are not expended, or obligated through contracts, lapse at year end.
- f. Budgets for all governmental fund types are adopted on a basis consistent with GAAP.
- g. The budget was amended one time during the year. The financial statements reflect the amended budget amounts. The budget amendments are as follows:

	<u>Budget As Originally Enacted</u>	<u>Amendments</u>	<u>Budget As Revised</u>
General Fund			
Revenues/operating transfers in	\$878,693	\$147,661	\$1,026,354
Expenditures/operating transfers out	796,252	181,546	977,798
Special Revenue Funds:			
Revenues/operating transfers in	355,807	72,855	428,662
Expenditures/operating transfers out	320,000	(5,000)	315,000

The amendments were in order to adjust revenues and expenditures to come within five percent of actual revenues and expenditures as required by state law. The financial statements reflect the amended budget amounts.

Budget-to-actual comparisons are not presented for the Debt Service and Capital Project Funds. Formal budgetary accounting is not employed for Debt Service Funds because effective control is alternatively achieved through the indenture provisions of the bonds and certificates. The Capital Project Funds present project as opposed to annual budget amounts and are therefore not reported in the accompanying financial report. Effective control of costs is maintained by the Town Council, who approves each project budget.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets (Continued)

Comparison of the budgeted and actual amounts as shown in Exhibit C in the accompanying financial report includes the General Fund and Special Revenue Funds which are included in the annual operating budget and for which a budget-to-actual comparison is required.

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the Town.

F. Cash, Cash Equivalents and Investments

Cash includes amounts in regular and money market accounts.

For purposes of the statement of cash flows, cash and cash equivalents include certificates of deposit, the investment in the Louisiana Asset Management Pool (LAMP), and securities with maturities of three months or less when purchased.

Investments are stated at fair value as established by the open market, except for LAMP. LAMP is an external pool, which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. Accordingly, the fair value of the Town's position in LAMP is the same as the value of its pool shares.

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Realized gains and losses on investments recorded at fair value are included in investment income.

Investment policies are governed by state statutes and bond covenants. Investments during the year consisted of the following:

Certificate of Deposit
Government National Mortgage (GNMA) Notes
Louisiana Asset Management Pool (LAMP)

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accounts Receivables

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through an increase in the allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2001, an allowance for uncollectible accounts was reported in the Enterprise Funds in the amount of \$8,530.

H. Property, Plant and Equipment

General Fixed Assets Account Group

Fixed assets used in Governmental Fund Type operations are accounted for in the General Fixed Assets Account Group, rather than in Governmental Funds. Public domain ("infrastructure") general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are capitalized for reporting purposes. No depreciation has been provided on general fixed assets. Interest has also not been capitalized on fixed assets in the Government Fund Type operations.

All fixed assets are valued at historical cost.

Proprietary Fund Type

Property, plant and equipment owned by the Proprietary Fund are recorded at cost or, if contributed property, at their fair market value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment in the proprietary fund.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Gas Distribution and Sewer Systems	20 - 50 years
Machinery, Equipment, Vehicles	
Furniture and Fixtures	5 - 20 years

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences

A total of 5 to 10 days annual leave and 10 days sick leave per year may be accumulated by each employee. Employees may not carry over or accumulate annual leave. Any sick leave not used during any calendar year can be carried over and accumulate without limit. Any sick leave accumulated at the time of termination of employment by the Town shall not be paid.

J. Long-Term Debt

Long-term debt is recognized as a liability of a Governmental Fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from unexpendable available financial resources is reported as a fund liability of a Governmental Fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Long-term liabilities expected to be financed from Proprietary Fund operations are accounted for in those funds.

K. Fund Equity

Contributed capital is recorded in Proprietary Funds that have received contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

L. 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 reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. GASB Pronouncements

Governmental Accounting Standards Board (GASB) Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," provides that Proprietary Funds may apply all GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements; Statements and interpretations of the Financial Accounting Standard Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's) of the Committee on Accounting Procedure. The Town has elected to apply only FASB, APB and ARB materials issued on or before November 30, 1989 to the Proprietary Funds and component units.

N. Reclassification

Certain amounts reported as cash and cash investments in the prior year were reclassified as investments. The reclassifications were made to conform to the presentation in the December 31, 2001 financial statements.

O. Memorandum Only - Total Columns

The total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with GAAP. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Expenditures/Transfers Out

The following individual funds had actual expenditures/transfers out exceeding appropriations:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Special Revenue Fund:			
Drainage Maintenance Fund	\$30,000	\$54,844	\$(24,844)
	21		

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Town. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana Law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2000. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The assessed value, upon which the 2001 levy was based was \$7,004,060.

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to the review and certification by the Louisiana Tax Commission.

The Town has levied property taxes for maintenance of levees, drainage and streets and for general corporate purposes. The various tax rates for the year ended December 31, 2001 were as follows:

<u>Description</u>	<u>Tax Rate</u> <u>Per \$1,000</u>
Levee Maintenance	\$5.09
Drainage Maintenance	5.09
Street Maintenance	5.00
General	5.97

As indicated in Note 1c, property taxes are recorded as revenue by the Town in the year the taxes finance budgeted expenditures. Property taxes, which are paid under protest, are recorded as revenue in the year the taxes are collected.

Note 4 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana or any other federally insured investment.

Bank Deposits:

State Law requires deposits (cash and certificates of deposits) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank, or with a trust company for the account of the political subdivision. In accordance with state law all cash and deposits were collateralized.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the Town or its agent, in the Town's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the Town's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the Town's name.

The year end balances of deposits are as follows:

	Bank Balances			Book Balances
	Category			
	1	2	3	
Cash	<u>\$175,870</u>	<u>\$-</u>	<u>\$299,151</u>	<u>\$444,533</u>

At December 31, 2001, cash in excess of the FDIC insurance was collateralized by securities held by unaffiliated banks for the account of the depositors. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB

Note 4 - DEPOSITS AND INVESTMENTS (Continued)

Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments:

State statutes authorize the Town to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper rated AAA 1, 2, or 3; repurchase agreements; and the Louisiana Asset Management Pool.

The Town's investments are categorized to give an indication of the level of risk assumed by the entity at year end.

Category 1 includes investments that are insured or registered or for which the securities are held by the Town or its agent in the Town's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Town's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the Town's name.

At year end, the investment balances are as follows:

	Fair Value			Reported Amount
	Risk Category			
	1	2	3	
Investments subject to categorization:				
Government National Mortgage Association (GNMA) Notes	<u>\$82,874</u>			\$ 82,874
Investments not subject to categorization:				
Louisiana Asset Management Pool (LAMP)				<u>745,015</u>
Total investments				<u>\$827,889</u>

Note 4 - DEPOSITS AND INVESTMENTS (Continued)

Investment in the Louisiana Asset Management Pool is not categorized as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

A reconciliation of deposits and investments as shown on the Balance Sheet is as follows:

Cash on hand	\$ 700
Reported amount of deposits	444,533
Reported amount of investments	<u>827,889</u>
Total	<u>\$1,273,122</u>
Cash and cash equivalents	\$1,140,517
Cash and cash equivalents-restricted	49,731
Investments	<u>82,874</u>
Total	<u>\$1,273,122</u>

Note 5 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Individual fund interfund receivable and payable balances at December 31, 2001 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$31,490	\$67,985
Special Revenue Funds:		
Street Fund	663	-
Enterprise Funds:		
Gas Distribution System Fund	62,872	6,683
Sewerage Fund	-	23,285
Capital Project Funds:		
Walking Trail	4,451	1,431
LCDBG Economic Development	-	42
Williams Lane Drainage	-	50
Total from combined balance sheet	<u>\$99,476</u>	<u>\$99,476</u>

Note 6 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 2001 consisted of the following:

		<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>
Louisiana Department of Treasury	Beer Tax	\$1,038	\$ -	\$ -
Louisiana Department of Treasury	Parish Transportation Programs		2,668	-
Louisiana Department of Treasury	Video Poker	6,027		-
Lafourche Parish School Board	Sales Tax	-	20,534	-
Lafourche Parish Council	Expenditure Reimbursement	3,400	-	-
Lafourche Parish Council	Franchise Fee	1,545	-	-
Lafourche Parish Council	Off-track Betting	334	-	-
Louisiana Department of Motor Vehicles	Office Rental	1,934	-	-

Note 6 - DUE FROM OTHER GOVERNMENTAL UNITS (Continued)

		<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>
Louisiana Division of Administration	LCDBG Grant -			
	Economic Development	-	-	7,886
Louisiana Division of Administration	Williams Lane Drainage	-	-	5,181
Louisiana Department of Transportation	State Maintenance Contract Agreement	-	3,153	-
Lafourche Housing Authority	P.I.L.O.T. Revenue	<u>3,444</u>	-	-
Totals		<u>\$17,722</u>	<u>\$26,355</u>	<u>\$13,067</u>

Note 7 - RESTRICTED ASSETS

A summary of restricted assets at December 31, 2001 is indicated as follows:

	<u>Enterprise Funds</u>
Customer deposits	<u>\$49,731</u>

Note 8 - PROPERTY, PLANT AND EQUIPMENT

A summary of changes in property, plant and equipment for the year ended December 31, 2001 follows:

	<u>Balance January 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2001</u>
Land	\$ 92,100	\$ -	\$ -	\$ 92,100
Buildings and improvements	137,548	7,108	-	144,656
Christmas fixtures	16,903	-	-	16,903
Protection levee	164,720	-	-	164,720
Swimming pool	135,486	-	-	135,486
Autos and trucks	179,739	21,715	19,483	167,524
Sidewalks, streets and drainage	1,589,192	381,488	-	1,985,127

Note 8 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	Balance January 1, <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, 2001
Oakridge Park	534,090	30,201	-	564,291
Office furniture and fixtures	39,675	-	853	38,822
Equipment:				
Street department	152,989	2,200	-	155,189
Sanitation department	12,500	6,700	-	19,200
Police department	64,692	-	-	64,692
Civil defense	8,426	-	-	8,426
DMV Building	221,641	-	-	221,641
Economic Development Building	<u>335,000</u>	<u>-</u>	<u>-</u>	<u>335,000</u>
 Total general fixed assets	 <u>\$3,684,701</u>	 <u>\$449,412</u>	 <u>\$20,336</u>	 <u>\$4,113,777</u>

A summary of proprietary funds property, plant and equipment at December 31, 2001, follows:

	<u>Gas Distribution System Fund</u>	<u>Sewerage Fund</u>
Sewer system phase I		\$ 756,659
Sewer system phase II		1,039,774
Gas distribution system	\$457,651	-
Land	2,500	-
Autos and trucks	27,565	-
Furniture and fixtures	73,902	-
Equipment and machinery	<u>28,318</u>	<u>-</u>
 Totals	 589,936	 1,796,433
 Less accumulated depreciation	 <u>434,748</u>	 <u>234,456</u>
 Net property, plant and equipment	 <u>\$155,188</u>	 <u>\$1,561,977</u>

Note 9 - LONG-TERM DEBT

At December 31, 2001, the Town had outstanding general obligation refunding bonds totaling \$40,000 bearing interest at 6.5%. The bonds are repayable through April 1, 2002 primarily from ad valorem tax revenues.

The following is a summary of the bond transactions of the Town for the year ended December 31, 2001:

Bonds payable at January 1, 2001	\$ 73,000
Bonds retired	<u>(33,000)</u>
Bonds payable at December 31, 2001	<u>\$ 40,000</u>

To amortize all long-term debt outstanding at December 31, 2001 required by the bond indenture, the Town will pay \$40,000 in principal and \$1,300 in interest during the year ending December 31, 2002.

Note 10 - SEGMENT INFORMATION

The Town maintains two enterprise funds, the Gas Distribution System Fund and Sewerage Fund, to account for sewer and gas distribution services for most citizens within the boundaries of the Town.

Selected segment information for the Sewerage and Gas Distribution System Funds for the year ended December 31, 2001, is as follows:

	Gas Distribution System Fund	Sewerage Fund	Total
Operating revenue	\$447,166	\$53,018	\$500,184
Operating expenses:			
Depreciation	14,737	35,418	50,155
All other	412,220	49,535	461,755
Operating income (loss)	20,209	(31,935)	(11,726)
Other non-operating revenues, net	3,837	596	4,433
Net income (loss)	24,046	(31,339)	(7,293)

Note 10 - SEGMENT INFORMATION (Continued)

	<u>Gas Distribution System Fund</u>	<u>Sewerage Fund</u>	<u>Total</u>
Total assets	446,308	1,607,494	2,053,802
Total equity	357,033	1,582,232	1,939,265
Net working capital	201,845	20,255	222,100

Note 11 - MAJOR SUPPLIERS - ENTERPRISE FUNDS

Expenses for purchases of gas from the major suppliers at December 31, 2001 were:

	<u>Purchases</u>
Supplier A	\$117,545
Supplier B	<u>115,760</u>
Total	<u>\$233,305</u>

Note 12 - CONTRIBUTED CAPITAL

A cumulative summary of the Enterprise Funds' contributed capital at December 31, 2001 is as follows:

	<u>Gas Distribution System Fund</u>	<u>Sewerage Fund</u>
Federal grants	\$ -	\$1,490,801
Town of Golden Meadow	216,091	251,348
State grants	<u>-</u>	<u>48,835</u>
	216,091	1,790,984
Less depreciation	<u>-</u>	<u>(227,935)</u>
Totals	<u>\$216,091</u>	<u>\$1,563,049</u>

Note 12 - CONTRIBUTED CAPITAL (Continued)

A summary of changes in the Enterprise Funds' contributed capital is as follows:

	<u>Gas Distribution System Fund</u>	<u>Sewerage Fund</u>
Contributed capital at beginning of year	\$216,091	\$1,597,837
Less:		
Depreciation	<u>-</u>	<u>(34,788)</u>
Contributed capital at end of year	<u>\$216,091</u>	<u>\$1,563,049</u>

Note 13 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to general liability, auto, workers' compensation, property and group health benefits for which the Town carries commercial insurance. The Town is covered under a general liability contract for claims, including claims related to the gas distribution system, up to \$500,000. Any claims in excess of \$500,000 are to be paid by the Town. Various suits and claims arising from personal injury and property damage, some for substantial amounts, are pending against the Town, its insurers and others. The Town has not provided for estimated losses from the aforementioned pending suits and claims in its financial statements because the Town believes the ultimate settlement costs will not materially exceed the amounts provided by commercial insurance.

Note 14 - COMMITMENTS AND CONTINGENCIES

The Town received funding under grants from various federal and state governmental agencies. The agency grants specify the purpose for which the grant monies are to be used; the grants are subject to audit by the granting agency or its representative.

The Town has completed an Economic Development contract with the Division of Administration to receive a Louisiana Community Development Block Grant in the amount of \$335,000 for the acquisition and renovation of a building in the Town of Golden Meadow. The Town has not been able to lease the building in order to repay Louisiana Community Development Block Grant contribution amortized over 20 years at no interest. Repayment will not be required if the building is not leased.

Note 15 - PENSION PLANS

Employees of the Town, with the exception of the policemen, are members of the Municipal Employees' Retirement System of Louisiana. Full-time policemen, not participating in the Federal Social Security System, are members of the Municipal Police Employees' Retirement System of Louisiana (MPERS). During 2001, the Town had no employees participating in the MPERS.

A. Municipal Employees' Retirement System

Plan Description - The Town contributes to Plan A of the Municipal Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public employee retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1884, specifically, and other general laws of the State of Louisiana. The System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Blvd., Baton Rouge, Louisiana 70809.

Funding Policy - Plan members are required to contribute 9.25% of their annual covered earnings, and the Town is required to contribute at an actuarially determined rate. The Town's contribution rate is 6.25% effective June 30, 2000. In addition, the System also receives a percentage of tax revenues from various taxing bodies. The contribution requirements of plan members and the Town are established and may be amended by state statute. The Town's contributions to the System for the years ended December 31, 2001, 2000, and 1999 were \$19,500, \$20,484 and \$16,681, respectively, equal to the required contributions for each year.

B. Municipal Police Employees' Retirement System

Plan Description - The Town contributes to the Municipal Police Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public employee retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 189 of the 1973 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:2211 through 11:2234, specifically, and other

Note 15 - PENSION PLANS (Continued)

general laws of the State of Louisiana. The System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Municipal Police Employees' Retirement System of Louisiana, P.O. Box 94095, Baton Rouge, Louisiana 70804-9095.

Funding Policy - Plan members are required to contribute 7.50% of their annual covered earnings, and the Town is required to contribute at an actuarially determined rate. The Town's current contribution rate is 9.00% of annual earnings excluding overtime but including state supplemental pay. In addition, the System also receives a percentage of insurance premiums. The contribution requirements of plan members and the Town are established and may be amended by state statute. The Town's contributions to the System for the years ended December 31, 2001, 2000, and 1999 were \$ -, \$4,176 and \$9,083, respectively, equal to the required contributions for each year.

Note 16 - SUPPLEMENTAL PAY

In addition to the compensation paid to the Town's employees, employees who are policeman may be eligible to receive supplemental pay. The amount of the compensation is determined by State Law and is revised periodically.

As per Louisiana Revised Statute 33:2218.2, any employee who devotes his or her full working time to law enforcement, who is hired after March 31, 1986 and who has completed a certified training program as provided in Louisiana Revised Statute 40:2405 and is paid a salary of not less than three hundred fifty dollars per month shall be paid by the state extra compensation. A police officer entitled to additional pay out of state funds includes any person employed on a full-time basis who works as a duly commissioned law enforcement officer for the performance of primary duties which encompass the enforcement of state laws, supervisory police work, provides necessary services to line officers, desk sergeant or identification technician or a full-time radio dispatcher. Any person who received additional pay out of state funds shall continue to receive said additional state pay during any period of disability resulting from any injury sustained in the line of duty. The additional pay out of state funds shall continue to be paid to such person until such time that said person is determined to be permanently disabled and no longer able to return to work.

As of December 31, 2001, the Town has recognized revenue and expenditures of \$15,440 in salary supplements that the State of Louisiana has paid directly to the Town's employees.

SUPPLEMENTARY INFORMATION SECTION

GENERAL FUND

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

BALANCE SHEET -
GENERAL FUND

Town of Golden Meadow, Louisiana

December 31, 2001

Assets

Cash and cash equivalents	\$ 201,878
Investments	40,266
Receivables:	
Taxes	35,375
Accounts	11,794
Due from other funds	31,490
Due from other governmental units	17,722
	<hr/>
Total assets	<u>\$ 338,525</u>

Liabilities

Accounts payable and accrued expenditures	\$ 46,724
Due to other funds	67,985
Deferred revenue	42,490
	<hr/>
Total liabilities	<u>157,199</u>

Fund Balance

Unreserved - undesignated	<u>181,326</u>
	<hr/>
Total liabilities and fund balance	<u>\$ 338,525</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND**

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes - ad valorem	\$ 42,000	\$ 42,394	\$ 394
Fines and forfeitures	269,485	272,498	3,013
Intergovernmental:			
Federal Government:			
Federal Emergency Management Agency	118,120	118,120	-
State of Louisiana:			
Video poker	31,500	34,306	2,806
Beer taxes	3,270	3,560	290
Office of Rural Development	21,000	21,000	-
Highway Safe & Sober Campaign	3,607	3,607	-
State supplemental pay	-	15,440	15,440
Lafourche Parish Council:			
Recreation District No. 3	3,400	3,400	-
Off track betting	1,800	1,879	79
Lafourche Housing Authority	3,380	3,444	64
Lafourche Parish Drainage District No. 1	5,400	5,400	-
South Lafourche Levee District	1,000	1,000	-
Licenses and permits - occupational licenses	82,650	83,149	499
Franchise fees	76,436	73,443	(2,993)
Charges for services	21,950	25,438	3,488
Investment income	5,630	8,186	2,556
Miscellaneous:			
Donations	11,230	11,230	-
Other	7,132	8,098	966
<u>Total revenues</u>	<u>708,990</u>	<u>735,592</u>	<u>26,602</u>
Expenditures			
Current:			
General government	160,782	160,716	66
Public safety	295,594	313,904	(18,310)
Streets and highways	202,976	224,968	(21,992)
Sanitation	22,735	21,901	834
Drainage and levee	233,847	236,479	(2,632)
Culture and recreation	61,794	62,006	(212)
Civil defense	70	70	-
<u>Total expenditures</u>	<u>977,798</u>	<u>1,020,044</u>	<u>(42,246)</u>
Deficiency of revenues over expenditures	<u>(268,808)</u>	<u>(284,452)</u>	<u>(15,644)</u>
Other Financing Sources (Uses)			
Proceeds from the sale assets	2,364	2,364	-
Operating transfers in	315,000	339,844	24,844
Operating transfers out	-	(4,451)	(4,451)
<u>Total other financing sources</u>	<u>317,364</u>	<u>337,757</u>	<u>20,393</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 48,556</u>	<u>53,305</u>	<u>\$ 4,749</u>
Fund Balances			
Beginning of year		<u>128,021</u>	
End of year		<u>\$ 181,326</u>	

SPECIAL REVENUE FUNDS

Sales Tax - To account for the receipt and appropriation of proceeds of the Town's 1% sales and use tax. The revenues derived from the tax are to be used for the purposes of constructing, acquiring, extending and/or improving drainage facilities, streets (including sidewalks and street lighting facilities), public buildings, public parks, and fire department and police stations and equipment; public works, buildings, improvements and facilities, title to which improvements shall be in the public, and for the purpose of paying principal and interest on any bonded debt or funded indebtedness of the Town. The tax may be subject to funding bonds by the Town, and it may be used for the purpose of paying any costs of salary and/or administrative costs of any employee of the Town and to pay any or all costs of any services and costs of any legal functions of the Town.

Levee Maintenance Tax - To account for the receipt and appropriation of proceeds from a 5.09 mill ad valorem tax levied on the assessed valuation of taxable property situated within the corporate limits of the Town of Golden Meadow. The tax is used to defray the cost of maintaining levees in the Town of Golden Meadow.

Drainage Maintenance Tax - To account for the receipt and appropriation of proceeds from a 5.09 mill ad valorem tax levied on the assessed valuation of taxable property situated within the corporate limits of the Town of Golden Meadow used to defray the cost of maintaining drainage works in the Town of Golden Meadow.

Street - To account for the receipt and appropriation of proceeds from a 5.0 mill ad valorem tax, levied on the assessed valuation of taxable property situated within the corporate limits of the Town of Golden Meadow used to defray the cost of maintaining streets in the Town of Golden Meadow and receipt of proceeds from Parish Transportation Fund, State Maintenance Agreement and Lafourche Parish Intergovernmental Agreement. The revenues derived are to be used for cost incurred to build, repair and maintain streets, culverts and other drainage facilities and to purchase equipment for road work.

**COMBINING BALANCE SHEET -
SPECIAL REVENUE FUNDS**

Town of Golden Meadow, Louisiana

December 31, 2001

	<u>Sales Tax</u>	<u>Levee Maintenance Tax</u>	<u>Drainage Maintenance Tax</u>
Assets			
Cash and cash equivalents	\$ 429,527	\$ 69,590	\$ 31,504
Investments	35,705	-	-
Receivables:			
Taxes	-	29,544	29,549
Due from other funds	-	-	-
Due from other governmental units	<u>20,534</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 485,766</u>	 <u>\$ 99,134</u>	 <u>\$ 61,053</u>
 Liabilities			
Deferred revenue	\$ -	\$ 35,651	\$ 35,651
 Fund Balances			
Unreserved - undesignated	<u>485,766</u>	<u>63,483</u>	<u>25,402</u>
 Total liabilities and fund balances	 <u>\$ 485,766</u>	 <u>\$ 99,134</u>	 <u>\$ 61,053</u>

Statement B-1

<u>Street</u>	<u>Total</u>
\$ 191,874	\$ 722,495
-	35,705
27,894	86,987
663	663
5,821	26,355
<u>\$ 226,252</u>	<u>\$ 872,205</u>
\$ 35,020	\$ 106,322
<u>191,232</u>	<u>765,883</u>
<u>\$ 226,252</u>	<u>\$ 872,205</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - SPECIAL REVENUE FUNDS

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	<u>Sales Tax</u>	<u>Levee Maintenance Tax</u>	<u>Drainage Maintenance Tax</u>
Revenues			
Taxes:			
Sales	\$ 253,483	\$ -	\$ -
Ad valorem	-	35,593	35,593
Intergovernmental:			
State of Louisiana:			
Parish Transportation Fund	-	-	-
Maintenance Agreement	-	-	-
Lafourche Parish Council	-	-	-
Investment income	<u>15,012</u>	<u>2,437</u>	<u>1,637</u>
Total revenues	268,495	38,030	37,230
 Expenditures	 <u>-</u>	 <u>-</u>	 <u>-</u>
Excess of revenues over expenditures	268,495	38,030	37,230
 Other Financing Uses			
Operating transfers out	<u>(200,000)</u>	<u>(30,000)</u>	<u>(54,844)</u>
 Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	68,495	8,030	(17,614)
 Fund Balances			
Beginning of year	<u>417,271</u>	<u>55,453</u>	<u>43,016</u>
End of year	<u>\$ 485,766</u>	<u>\$ 63,483</u>	<u>\$ 25,402</u>

Statement B-2

<u>Street</u>	<u>Total</u>
\$ -	\$ 253,483
34,963	106,149
17,402	17,402
6,307	6,307
10,410	10,410
6,652	25,738
<u>75,734</u>	<u>419,489</u>
-	-
<u>75,734</u>	<u>419,489</u>
<u>(55,000)</u>	<u>(339,844)</u>
20,734	79,645
<u>170,498</u>	<u>686,238</u>
<u>\$ 191,232</u>	<u>\$ 765,883</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - SALES TAX FUND**

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes - sales	\$ 258,000	\$ 253,483	\$ (4,517)
Investment income	24,010	15,012	(8,998)
Total revenues	282,010	268,495	(13,515)
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	282,010	268,495	(13,515)
Other Financing Uses			
Operating transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 82,010</u>	68,495	<u>\$ (13,515)</u>
Fund Balances			
Beginning of year		<u>417,271</u>	
End of year		<u>\$ 485,766</u>	

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - LEVEE MAINTENANCE TAX FUND**

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Taxes - ad valorem	\$ 35,640	\$ 35,593	\$ (47)
Investment income	2,200	2,437	237
Total revenues	37,840	38,030	190
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	37,840	38,030	190
Other Financing Uses			
Operating transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 7,840</u>	8,030	<u>\$ 190</u>
Fund Balances			
Beginning of year		<u>55,453</u>	
End of year		<u>\$ 63,483</u>	

See notes to financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL -
DRAINAGE MAINTENANCE TAX FUND

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes- ad valorem	\$ 35,640	\$ 35,593	\$ (47)
Investment income	<u>2,200</u>	<u>1,637</u>	<u>(563)</u>
Total revenues	37,840	37,230	(610)
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	37,840	37,230	(610)
Other Financing Uses			
Operating transfers out	<u>(30,000)</u>	<u>(54,844)</u>	<u>(24,844)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 7,840</u>	(17,614)	<u>\$ (25,454)</u>
Fund Balances			
Beginning of year		<u>43,016</u>	
End of year		<u>\$ 25,402</u>	

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - STREET FUND**

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes - ad valorem	\$ 33,765	\$ 34,963	\$ 1,198
Intergovernmental:			
State of Louisiana:			
Parish Transportation Fund	17,500	17,402	(98)
Maintenance Agreement	6,307	6,307	-
Lafourche Parish Council	10,400	10,410	10
Investment income	3,000	6,652	3,652
	<u>70,972</u>	<u>75,734</u>	<u>4,762</u>
Total revenues			
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	70,972	75,734	4,762
Other Financing Uses			
Operating transfers out	<u>(55,000)</u>	<u>(55,000)</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 15,972</u>	20,734	<u>\$ 4,762</u>
Fund Balances			
Beginning of year		<u>170,498</u>	
End of year		<u>\$ 191,232</u>	

Capital Project Funds

LCDBG Economic Development Project Fund - To account for the acquisition and renovation of real property for the purpose of providing a location for business economic development funded by the State of Louisiana's Office of Community Development.

Walking Trail Project Fund - To account for the construction cost of a walking trail at Oakridge Park funded partially by the State of Louisiana's Office of Rural Development.

Williams Lane Drainage Project - To account for drainage improvements on LA Highway 1 near Williams Lane funded by the State of Louisiana's Office of Facility Planning and Control.

COMBINING BALANCE SHEET -
CAPITAL PROJECTS FUNDS

Town of Golden Meadow, Louisiana

December 31, 2001

	<u>Walking Trail Project</u>	<u>LCDBG Economic Development Project</u>	<u>Williams Lane Drainage Project</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ -	\$ 42	\$ 50	\$ 92
Due from other funds	4,451	-	-	4,451
Due from other governmental units	-	7,886	5,181	13,067
Total assets	<u>\$ 4,451</u>	<u>\$ 7,928</u>	<u>\$ 5,231</u>	<u>\$ 17,610</u>
Liabilities				
Contracts payable	\$ 3,020	\$ 7,886	\$ 5,181	\$ 16,087
Due to other funds	1,431	42	50	1,523
Total liabilities	<u>4,451</u>	<u>7,928</u>	<u>5,231</u>	<u>17,610</u>
Fund Balances				
Total liabilities and fund balances	<u>\$ 4,451</u>	<u>\$ 7,928</u>	<u>\$ 5,231</u>	<u>\$ 17,610</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - CAPITAL PROJECTS FUNDS**

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	<u>Walking Trail Project</u>	<u>LCDBG Economic Development Project</u>	<u>Williams Lane Drainage Project</u>	<u>Total</u>
Revenues				
Intergovernmental:				
State grants	\$ 25,000	\$ 7,886	\$ 187,158	\$ 220,044
Expenditures				
Capital Outlay	<u>30,201</u>	<u>7,886</u>	<u>187,158</u>	<u>225,245</u>
Deficiency of revenues over expenditures	(5,201)	-	-	(5,201)
Other Financing Sources				
Operating transfers in	<u>4,451</u>	<u>-</u>	<u>-</u>	<u>4,451</u>
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses	(750)	-	-	(750)
Fund Balances				
Beginning of year	<u>750</u>	<u>-</u>	<u>-</u>	<u>750</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Enterprise Funds

Gas Distribution System Fund - To account for the distribution of natural gas services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Sewerage Fund - To account for sewer services to residents within the Sewer Service District of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

**COMBINING BALANCE SHEET -
ENTERPRISE FUNDS**

Town of Golden Meadow, Louisiana

December 31, 2001

	<u>Gas Distribution System Fund</u>	<u>Sewerage Fund</u>	<u>Total</u>
ASSETS			
Current			
Cash and cash equivalents	\$ 110,156	\$ 39,373	\$ 149,529
Investments	6,903	-	6,903
Receivables:			
Accounts (net of uncollectibles of \$7,003 and \$1,527, respectively)	6,332	1,232	7,564
Unbilled service revenues	55,126	4,912	60,038
Due from other funds	62,872	-	62,872
	<u>241,389</u>	<u>45,517</u>	<u>286,906</u>
Restricted			
Cash and cash equivalents:			
Customer deposits	49,731	-	49,731
Property, Plant and Equipment	589,936	1,796,433	2,386,369
Less accumulated depreciation	434,748	234,456	669,204
	<u>155,188</u>	<u>1,561,977</u>	<u>1,717,165</u>
Total assets	<u>\$ 446,308</u>	<u>\$ 1,607,494</u>	<u>\$ 2,053,802</u>
LIABILITIES			
Current			
Payable from current assets:			
Accounts payable and accrued expenses	\$ 32,861	\$ 1,977	\$ 34,838
Due to other funds	6,683	23,285	29,968
	<u>39,544</u>	<u>25,262</u>	<u>64,806</u>
Payable from restricted assets:			
Customers' meter deposits	49,731	-	49,731
Total current liabilities	<u>89,275</u>	<u>25,262</u>	<u>114,537</u>
EQUITY			
Contributed Capital	<u>216,091</u>	<u>1,563,049</u>	<u>1,779,140</u>
Retained Earnings			
Unreserved:			
Designated for capital additions and contingencies	27,310	-	27,310
Undesignated	113,632	19,183	132,815
	<u>140,942</u>	<u>19,183</u>	<u>160,125</u>
Total equity	<u>357,033</u>	<u>1,582,232</u>	<u>1,939,265</u>
Total liabilities and equity	<u>\$ 446,308</u>	<u>\$ 1,607,494</u>	<u>\$ 2,053,802</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS - ENTERPRISE FUNDS

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	Gas Distribution System Fund	Sewerage Fund	Total
Operating Revenues			
Sales and service charges	\$ 443,152	\$ 53,018	\$ 496,170
Miscellaneous	4,014	-	4,014
Total operating revenues	<u>447,166</u>	<u>53,018</u>	<u>500,184</u>
Operating Expenses			
Salaries	99,294	1,350	100,644
Per diem	6,777	6,612	13,389
Payroll taxes	7,596	-	7,596
Retirement	6,494	-	6,494
Hospitalization insurance	13,509	-	13,509
Utilities and telephone	746	11,301	12,047
Repairs and maintenance	14,684	24,809	39,493
Truck	3,208	775	3,983
Other insurance	4,895	1,797	6,692
Office	4,042	-	4,042
Postage and freight	1,606	-	1,606
Legal and auditing	7,000	-	7,000
Travel	1,555	1,329	2,884
Gas purchases	233,305	-	233,305
Bad debts	7,003	1,527	8,530
Depreciation	14,737	35,418	50,155
Miscellaneous	506	35	541
Total operating expenses	<u>426,957</u>	<u>84,953</u>	<u>511,910</u>
Operating income (loss)	<u>20,209</u>	<u>(31,935)</u>	<u>(11,726)</u>
Nonoperating Revenues			
Investment income	3,837	596	4,433
Net income (loss)	<u>24,046</u>	<u>(31,339)</u>	<u>(7,293)</u>
Depreciation Transferred to Contributed Capital	-	34,788	34,788
Net Income Transferred to Retained Earnings	24,046	3,449	27,495
Retained Earnings			
Beginning of year	116,896	15,734	132,630
End of year	<u>\$ 140,942</u>	<u>\$ 19,183</u>	<u>\$ 160,125</u>

COMBINING STATEMENT OF CASH FLOWS -
ENTERPRISE FUNDS

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

	Gas Distribution System Fund	Sewerage Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Cash Flows from Operating Activities			
Operating income (loss)	\$ 20,209	\$ (31,935)	\$ (11,726)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	14,736	35,418	50,154
(Increase) decrease in assets:			
Receivables	35,992	1,026	37,018
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	(51,692)	1,977	(49,715)
Customer deposits	1,536	-	1,536
Due to other funds	(4,208)	8,015	3,807
Total adjustments	<u>(3,636)</u>	<u>46,436</u>	<u>42,800</u>
Net cash provided by operating activities	<u>16,573</u>	<u>14,501</u>	<u>31,074</u>
Cash Flows from Investing Activities			
Proceeds from maturities of investments	1,205	-	1,205
Investment income	<u>3,837</u>	<u>596</u>	<u>4,433</u>
Net cash provided by investing activities	<u>5,042</u>	<u>596</u>	<u>5,638</u>
Net Increase in Cash and Cash Equivalents	21,615	15,097	36,712
Cash and Cash Equivalents			
Beginning of year	<u>138,272</u>	<u>24,276</u>	<u>162,548</u>
End of year	<u>\$ 159,887</u>	<u>\$ 39,373</u>	<u>\$ 199,260</u>

OTHER SUPPLEMENTARY INFORMATION

COMPENSATION PAID TO MEMEBERS OF THE TOWN COUNCIL

Town of Golden Meadow

For the Year Ended December 31, 2001

2001

<u>Name</u>	<u>Office</u>	<u>Compensation</u>	<u>Per Diem*</u>
Joey Bouziga	Mayor	\$ 22,802	\$ -
David Adams	Councilman	-	6,612
Lawrence Mounic	Councilman	-	6,612
Frank Boura	Councilman	-	6,612
Gail Callais	Councilwoman	-	6,612
Gwendolyn Theriot	Councilwoman	-	6,612
		<u>\$ 22,802</u>	<u>\$ 33,060</u>

* Per diem paid at the rate of \$413 for the regular monthly meeting and \$138 for one special meeting per month. There are no additional per diem fees paid for attendance at additional special meetings of the Town.

STATISTICAL SECTION

Table 1

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

Town of Golden Meadow

Last Ten Years

(Unaudited)

Year	General Government	Streets and Highways		Sanitation	Civil Defense	Drainage and Levee		Public Safety Police		Culture and Recreation	Debt Service	Total
1992	\$ 109,829	\$ 128,713	\$ 14,267	\$ 537	\$ 87,110	\$ 187,406	\$ 55,119	\$ 136,681	\$ 719,662			
1993	117,126	136,600	13,487	1,499	90,226	180,140	52,389	55,954	647,421			
1994	120,325	130,586	12,603	399	89,368	207,941	55,042	61,267	677,531			
1995	110,559	163,216	14,781	168	86,863	215,600	51,601	62,464	705,252			
1996	110,382	144,646	11,334	1,189	112,213	211,637	58,492	48,514	698,407			
1997	126,193	137,043	12,723	206	90,292	226,727	38,295	44,299	675,778			
1998	120,449	150,341	15,808	1,022	81,746	262,400	62,492	38,786	733,044			
1999	112,916	190,091	20,920	388	127,593	286,942	71,047	39,909	849,806			
2000	144,978	153,075	22,969	226	132,356	272,104	62,541	40,815	829,064			
2001	155,716	164,252	15,201	70	98,557	292,189	62,006	36,656	824,647			

(1) Includes General, Special Revenue, and Debt Service Funds (amounts do not include the capital expenditures of the funds).

GENERAL GOVERNMENTAL REVENUE BY SOURCE (1)

Town of Golden Meadow

Last Ten Years

(Unaudited)

Year	Taxes	License, Permits and Franchises	Intergovern- mental Revenues	Charges for Services	Fines and Forfeitures	Investment Income	Miscellaneous Revenues	Total
1992	\$ 238,580	\$ 104,304	\$ 81,518	\$ 6,801	\$ 200,950	\$ 21,383	\$ 68,627	\$ 722,163
1993	247,064	107,014	35,880	6,564	210,786	11,804	27,659	646,771
1994	249,493	107,737	85,274	7,069	255,552	17,595	52,720	775,440
1995	254,331	126,595	104,490	6,455	287,925	9,316	37,915	827,027
1996	282,479	126,680	96,184	7,208	292,531	32,138	34,237	871,457
1997	332,624	154,234	979,072	303	277,317	38,610	35,258	1,817,418
1998	376,309	128,151	310,361	871	298,446	53,485	33,074	1,200,697
1999	336,170	153,547	277,119	950	248,428	47,034	29,299	1,092,547
2000	424,590	167,301	101,285	850	295,791	47,141	38,706	1,075,664
2001	402,026	156,592	245,275	25,438	272,498	36,673	19,328	1,157,830

Note:

(1) Includes General, Special Revenue, and Debt Service Funds.

Table 3

PROPERTY TAX LEVIES AND COLLECTIONS

Town of Golden Meadow

Last Ten Years

(Unaudited)

Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of		Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
						Total Tax Collections	to Tax Levy		
1992	\$ 133,360	\$ 132,804	99.6%	\$ 221	\$ 133,025	99.7%	\$ 604	0.5%	
1993	131,063	130,533	99.6%	1,061	131,594	100.4%	905	0.7%	
1994	122,971	122,386	99.5%	-	122,386	99.5%	1,491	1.2%	
1995	124,557	124,353	99.8%	-	124,353	99.8%	1,705	1.4%	
1996	128,048	127,172	99.3%	218	127,390	99.5%	2,155	1.7%	
1997	144,237	141,349	98.0%	162	141,511	98.1%	2,684	1.9%	
1998	151,978	148,928	97.9%	1,966	150,894	99.3%	3,768	2.5%	
1999	146,466	139,600	95.3%	882	140,482	95.9%	5,984	4.1%	
2000	167,940	159,706	95.1%	2,897	162,603	96.8%	11,321	6.7%	
2001	148,543	142,828	96.2%	5,876	148,704	100.1%	11,160	7.5%	

PRINCIPAL TAXPAYERS

Town of Golden Meadow

December 31, 2001

(Unaudited)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2001 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
State Bank & Trust Co.	Bank	\$ 886,460	12.66%
Lafourche Telephone Co.	Telephone	789,000	11.26%
Hibernia National Bank	Bank	313,390	4.47%
Community Bank	Bank	284,760	4.07%
Lagniappe Motors	Auto Dealer	192,450	2.75%
Plaisance Dragline	Construction	88,530	1.26%
Apache Company	Oil & Gas	85,120	1.22%
Entergy	Electric Utility	74,890	1.07%
Golden Motors	Auto Dealer	64,150	0.92%
Elysium Energy	Oil & Gas	63,490	0.91%
		<u>\$ 2,842,240</u>	<u>40.58%</u>

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA**

Town of Golden Meadow

Last Ten Years

(Unaudited)

Year	Population*	Assessed Value	Gross		Debt		Percent of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
			Bonded Debt (1)	Service Monies Available	Net Bonded Debt	Bonded Debt to Assessed Value		
1992	2,032	\$ 4,892,090	\$ 323,000	\$ 33,806	\$ 289,194	5.91%	\$ 142.32	
1993	2,032	4,747,840	294,000	43,015	250,985	5.29%	123.52	
1994	2,032	4,992,638	260,000	39,525	220,475	4.42%	108.50	
1995	2,032	5,057,125	226,000	34,552	191,448	3.78%	94.22	
1996	2,032	5,198,863	199,000	40,062	158,938	3.06%	78.22	
1997	2,032	5,851,400	169,000	50,307	118,693	2.03%	58.41	
1998	2,032	6,165,456	140,000	67,100	72,900	1.18%	35.88	
1999	2,032	5,941,826	108,000	81,009	26,991	0.45%	13.28	
2000	2,165	6,992,640	73,000	102,394	-	-	-	
2001	2,193	7,004,060	40,000	68,487	-	-	-	

Note:

(1) Includes all long-term general obligation debt.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**

Town of Golden Meadow

Last Ten Years

(Unaudited)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Expenditures (1)</u>	<u>Ratio of Debt Service to Total General Expenditures</u>
1992	\$ 37,000	\$ 55,514	\$ 92,514	\$ 719,662	12.9%
1993	29,000	19,180	48,180	647,421	7.4%
1994	34,000	16,918	50,918	677,531	7.5%
1995	34,000	15,026	49,026	705,252	6.9%
1996	27,000	13,266	40,266	698,407	5.8%
1997	30,000	11,738	41,738	675,778	6.2%
1998	29,000	9,786	38,786	733,044	5.3%
1999	32,000	7,909	39,909	849,806	4.7%
2000	35,000	5,815	40,815	829,064	4.9%
2001	33,000	3,656	36,656	824,647	4.4%

Note:

(1) Includes General, Special Revenue, and Debt Service Funds (amounts do not include the capital expenditures of the funds).

MISCELLANEOUS STATISTICS**Town of Golden Meadow**

December 31, 2001

(Unaudited)

Date of incorporation	July 17, 1950
Form of government	Mayor - Council
Area	4 square miles
Miles of street	11.5
Number of street lights	400
Fire protection: (volunteer firemen)	
Number of stations	1
Number of firemen	23
Police protection:	
Number of stations	1
Number of policemen and officers	5
Municipal gas department:	
Number of consumers - December 31, 2001	661
Average annual consumption	51.95 MCF
Miles of gas mains	29
Municipal sewer department	
Number of consumers - December 31, 2001	304
Building permits issued	22
Recreation and culture:	
Number of parks	1 with 40 acres
Number of libraries	1
Employees:	
Excluding policemen	18

INSURANCE IN FORCE**Town of Golden Meadow**

December 31, 2001

(Unaudited)

Name of Insurer	Policy Period From To	Details of Coverage	Amount
Bankers Insurance Company	03/01/2001 - 03/01/2002	Flood Insurance - Town Hall	\$ 50,000
		Town Hall - Contents	55,000
	04/16/2001 - 04/16/2002	Pumping Station - Contents	7,500
	05/16/2001 - 05/16/2002	Computers Deductible	35,400 500
Western Surety	12/01/2001 - 12/01/2002	Public Official's Bond	10,000
Travelers Casualty & Surety	01/01/2001 - 01/01/2005	Public Official's Bond	5,000
CNA Insurance Company	01/08/2000 - 01/08/2003	Public Employee's Blanket Bond	10,000
Aetna Casualty & Surety	07/27/1997 - 07/27/2002	Notary Bond	5,000
Louisiana Municipal Risk Management Agency	01/01/2001 - 01/01/2002	Workmen's Compensation	LA Statutes
Audubon Indemnity Company	03/06/2001 - 03/06/2002	Automobile Collision/Comprehension - Various Autos	
		Total	133,758
		Deductible	250
Lloyds, London	02/05/2001 - 02/05/2002	Contractor's Equipment	
		Total	93,727
		Physical damage Deductible	250
Scottsdale Insurance Company	11/20/2001 - 11/20/2002	DMV Building	151,700
		90% Replacement Cost Deductible	1,000
		DMV Building - Contents	52,000
		80% Replacement Cost Deductible	1,000
Universal Specialty Underwriters of Louisiana	08/22/2001 - 02/22/2002	Economic Development Building 80% Replacement Cost Deductible	210,000 1,000
Omaha Property & Casualty Co.	12/19/2001 - 12/19/2002	Flood Insurance	
		DMV Building	150,000
		Contents	50,000
		Deductible	500

INSURANCE IN FORCE

Town of Golden Meadow

December 31, 2001

(Unaudited)

Name of Insurer	Policy Period		Details of Coverage	Amount
	From	To		
LA Insurance Underwriting	08/20/2001 - 08/20/2002		Fire, Extended Coverage, V. & M. M.	
			on Buildings	
			Town Hall	86,000
			Town Hall Contents	30,000
			Town Hall Addition and	
			Town Hall Jail	35,000
			Swimming Pool Bathhouse	57,000
			Town Maintenance Building	50,000
			Pumping Station	10,000
			Park - Dressing/Restrooms	25,000
			Senior Citizens Building	37,000
			Senior Citizens Ceramic Shop	10,000
	Deductible	500		
	80% Co-Insurance			
Louisiana Municipal Risk Management Agency Liability Pool	05/01/2001 - 05/01/2002		Comprehensive Liability Coverage under the LMA Plan:	
			1 Comprehensive General Liability	500,000
			Deductible	-
			2 Automobile Liability	500,000
			Deductible	-
			3 Law Enforcement Officers'	
			Comprehensive Liability	500,000
Deductible	1,000			
Scottsdale Insurance Company	05/05/2001 - 05/05/2002		4 Public Official's Errors and Omissions Liability	500,000
			Deductible	1,000
			Computer Related Losses	35,400
	Deductible	250		

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

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

To the Honorable Joey Bouziga, Mayor,
and the Members of the Town Council
Town of Golden Meadow, Louisiana.

We have audited the general-purpose financial statements of the Town of Golden Meadow, Louisiana (the Town) as of and for the year ended December 31, 2001, and have issued our report thereon dated February 18, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards, which is described in the accompanying schedule of findings as item 01-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design

or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 01-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of the Town Council, management, 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
February 18, 2002.

SCHEDULE OF FINDINGS

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are not
considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

b) Federal Awards

The Town of Golden Meadow, Louisiana did not receive federal awards in excess of \$300,000 during the year ended December 31, 2001 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section II Financial Statement Findings

Internal Control

01-1 **Criteria** - Internal controls should be in place to provide reasonable assurance that all transactions are being properly recorded in the accounting records.

Condition - Internal controls over financial reporting are weak and may not produce accurate and complete financial statements, as exemplified by incurrences of duplicate payments, unreported income, and miscodings of transactions encountered during our audit.

Questioned costs - None

Context - We believe the accounting errors are isolated instances that were corrected in the audit.

SCHEDULE OF FINDINGS
(Continued)

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

Section II Financial Statement Findings (Continued)

Internal Control (Continued)

01-1 (Continued)

Effect - The Town Council may use incomplete and inaccurate financial statements to make decisions concerning operations of the Town.

Cause - The Town's accounting system is not supported by policies and procedures that provide for a consistent, uniform approach to internal controls over financial information.

Recommendation - Although the small size of the Town's office staff limits the extent of internal controls, we believe certain steps could be taken to enhance controls over financial data. Written procedures, instructions, and assignments of duties will prevent or reduce misunderstandings, errors, inefficient or wasted effort, duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records.

It will take some time and effort for management to develop an accounting manual; however, certain controls should be instituted immediately. One of the most critical areas of control is cash and investments. We recommend that an appropriate official should receive and review bank and investment account statements and canceled checks before turning them over for preparation of reconciliations to the general ledger. The Town Clerk should then prepare reconciliations and all necessary journal entries to ensure a complete and accurate general ledger.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical - None

Compliance

01-2 **Criteria** - Article VII, Section 14 of the 1974 Louisiana Constitution prohibits donating public funds. Article VII has been applied to various opinions of the Attorney General prohibiting the payment of bonuses, payroll advances, and retroactive pay increases.

SCHEDULE OF FINDINGS
(Continued)

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

Section II Financial Statement Findings (Continued)

Compliance (Continued)

01-2 (Continued)

Condition - The Town made a lump-sum distribution in December, 2001 to its employees of a one-time pay increase equal to 1.5 percent of annual salaries.

Questioned costs - \$4,654

Context - Not applicable.

Effect - The lump-sum distribution of one-time pay increases is prohibited by the Louisiana Constitution.

Cause - The Town Council was desirous to reward employees for having completed a financially successful year.

Recommendation - We recommend the discretionary one-time pay increase be paid to employees ratably over the following year and be supported by time and attendance records.
Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical - None

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

00-1 **Recommendation** - The Town needs to maintain more timely and accurate general ledgers and subsidiary journals for interim bookkeeping purposes.

Management's Response - Unresolved, see finding 01-1 in the accompanying schedule of findings.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 2000.

Section II Internal Control and Compliance Material to Federal Awards

The Town of Golden Meadow, Louisiana did not receive federal awards in excess of \$300,000 during the year ended December 31, 2000 and therefore was exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2000.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

- 01-1 **Recommendation** - Although the small size of the Town's office staff limits the extent of internal controls, we believe certain steps could be taken to enhance controls over financial data. Written procedures, instructions, and assignments of duties will prevent or reduce misunderstandings, errors, inefficient or wasted effort, duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records.

It will take some time and effort for management to develop an accounting manual; however certain controls should be instituted immediately. One of the most critical areas of control is cash and investments. We recommend that an appropriate official should receive and review bank and investment account statements and canceled checks before turning them over for preparation of reconciliations to the general ledger. The Town Clerk should then prepare reconciliations and all necessary journal entries to ensure a complete and accurate general ledger.

Management's Response - The Town Clerk will begin the process of creating an accounting manual by developing a binder that will contain accounting procedures, instructions, and duties. The binder will also contain notes relating to unusual accounting transactions and how the transactions were handled.

The Mayor will immediately begin to review all unopened bank and investment statements along with canceled checks and document this review by initialing the statements. After the Mayor's review, the Town Clerk will reconcile all bank and investment accounts and prepare any necessary journal entries to reconcile to the general ledger.

Compliance

- 01-2 **Recommendation** - We recommend the discretionary one-time pay increase be paid to employees over the following year and be supported by time and attendance records.

Management's Response - In the future, any discretionary pay increases will be paid to employees over the following year and supported by time and attendance records.

MANAGEMENT'S CORRECTIVE ACTION PLAN
(Continued)

Town of Golden Meadow, Louisiana

For the year ended December 31, 2001

Section II Internal Control and Compliance Material to Federal Awards

The Town of Golden Meadow, Louisiana did not receive federal awards in excess of \$300,000 during the year ended December 31, 2001 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2001.