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Town of Glenmora, Louisiana

Annual Financial Report

June 30, 1999

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Release Date 1-19-2000

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**Report on Compliance and Internal Control Over Financial
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KNIGHT < > MASDEN

Certified Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

December 4, 1999

Coan I. Knight, Jr., CPA
K. Martin Masden, CPA

Associates:
John E. Theriot II, CPA
Carolyn N. Craft, CPA

Independent Auditors' Report

The Honorable Tyrone L. Doyle, Mayor
and Members of the Board of Aldermen
Town of Glenmora, Louisiana

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Glenmora, Louisiana as of June 30, 1999 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Town of Glenmora's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be prepared in conformity with generally accepted accounting principles. Such required disclosures include:

- any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and
- the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

The Town of Glenmora, Louisiana has omitted such disclosures. We do not provide assurance that the Town of Glenmora, Louisiana is or will be year 2000 ready, that the Town of Glenmora, Louisiana's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town of Glenmora, Louisiana does business will be year 2000 ready.

The Honorable Tyrone L. Doyle, Mayor
and Members of the Board of Aldermen
Town of Glenmora, Louisiana
December 4, 1999

In our opinion, except for the omission of the information discussed in the preceding paragraph, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Glenmora, Louisiana as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of Glenmora, Louisiana as of June 30, 1999 and the results of operations of such funds and cash flows of individual proprietary funds for the year then ended in conformity with generally accepted accounting standards. In addition, in our opinion, the individual fund financial statements at June 30, 1998 and for the year then ended, shown for comparative purposes, present fairly, in all material respects, the financial position of the individual funds of the Town of Glenmora, Louisiana at June 30, 1998 and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 1999, on our consideration of the Town of Glenmora, Louisiana's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of Glenmora, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.


KNIGHT ◊ MASDEN

**General Purpose Financial Statements
(Combined Statements - Overview)**

Town of Glenmora, Louisiana
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1999

	Governmental Fund Types			Proprietary	Fiduciary	Account Groups			Totals	
				Fund Type	Fund Type	General	Long-Term	(Memorandum Only)		
	General	Special Revenue	Debt Service	Enterprise	Agency	Fixed Assets	Debt	1999	1998	
Assets and Other Debits										
Cash and cash equivalents	\$ 12,456	\$ 22,418	\$ 20,356	\$ 31,393	\$ 6,331	\$ -	\$ -	\$ 92,954	\$ 164,933	
Receivables (Net of allowance for doubtful accounts)										
Taxes	471	-	-	-	-	-	-	471	1,195	
Accounts	-	-	-	41,313	-	-	-	41,313	45,540	
Accrued interest	-	432	36	588	-	-	-	1,056	1,056	
Notes	-	148,157	-	-	-	-	-	148,157	99,252	
Due from other funds	105,494	-	2,500	3,422	2,639	-	-	114,055	97,117	
Due from others	-	-	-	4,054	-	-	-	4,054		
Restricted assets - cash and cash equivalents	-	-	-	333,131	-	-	-	333,131	364,583	
Fixed assets (Net of accumulated depreciation)	-	-	-	2,192,672	-	677,329	-	2,870,001	2,862,607	
Amount available in Debt Service Funds	-	-	-	-	-	-	20,356	20,356	26,502	
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	97,339	97,339	78,510	
Total Assets	\$ 118,421	\$ 171,007	\$ 22,892	\$ 2,606,573	\$ 8,970	\$ 677,329	\$ 117,695	\$ 3,722,887	\$ 3,741,295	

Town of Glenmora, Louisiana
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1999

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type	Account Groups			Totals (Memorandum Only)
	General	Special Revenue	Debt Service			General Fixed Assets	Long-Term Debt	1999	
Liabilities, Equity and Other Credits									
Liabilities									
Accounts payable	\$ 16,304	\$ -	\$ -	\$ 7,228	\$ -	\$ -	\$ -	\$ 23,532	\$ 14,737
Other accrued expenses	-	-	-	-	8,548	-	-	8,548	7,351
Liabilities payable from restricted assets	-	-	-	143,871	-	-	-	143,871	139,781
Due to other funds	1,060	3,314	2,500	106,760	422	-	-	114,056	97,117
Bonds payable	-	-	-	1,099,709	-	-	56,000	1,155,709	1,220,228
Notes payable	-	-	-	24,182	-	-	61,695	85,877	69,194
Total Liabilities	17,364	3,314	2,500	1,381,750	8,970	-	117,695	1,531,593	1,548,408
Fund Equity and Other Credits									
Contributed Capital	-	-	-	1,545,212	-	-	-	1,545,212	1,545,212
Investment in general fixed assets	-	-	-	-	-	677,329	-	677,329	625,269
Retained Earnings (Deficit)	-	-	-	127,559	-	-	-	127,559	125,429
Reserved for debt service	-	-	-	(447,948)	-	-	-	(447,948)	(415,733)
Fund Balances									
Reserved for economic development	-	167,693	-	-	-	-	-	167,693	159,582
Reserved for debt service	-	-	20,392	-	-	-	-	20,392	26,538
Unreserved-undesignated	101,057	-	-	-	-	-	-	101,057	126,590
Total Equity and Other Credits	101,057	167,693	20,392	1,224,823	-	677,329	-	2,191,294	2,192,887
Total Liabilities, Equity and Other Credits	\$ 118,421	\$ 171,007	\$ 22,892	\$ 2,606,573	\$ 8,970	\$ 677,329	\$ 117,695	\$ 3,722,887	\$ 3,741,295

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

Town of Glenmora, Louisiana
 Combined Statement of Revenues, Expenditures and Changes
 in Fund Balances - All Governmental Fund Types
 Year Ended June 30, 1999
 With Comparative Totals for the Year Ended June 30, 1998

	Governmental Fund Types			Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	1999	1998
Revenues					
Taxes	\$ 314,368	\$ -	\$ -	\$ 314,368	\$ 281,979
Licenses and permits	28,877	-	-	28,877	30,759
Intergovernmental	34,257	-	-	34,257	19,146
Fines	63,927	-	-	63,927	68,462
Franchise fees	40,230	-	-	40,230	36,898
Mineral lease	35,316	-	-	35,316	78,552
Miscellaneous	60,447	22,600	916	83,963	47,714
Total Revenues	<u>577,422</u>	<u>22,600</u>	<u>916</u>	<u>600,938</u>	<u>563,510</u>
Expenditures					
Current					
General Government	192,317	14,489	62	206,868	178,948
Public Safety	192,648	-	-	192,648	179,647
Streets	187,576	-	-	187,576	184,013
Sanitation	46,530	-	-	46,530	37,708
Debt Service					
Principal	18,714	-	4,000	22,714	16,002
Interest	2,170	-	3,000	5,170	4,386
Total Expenditures	<u>639,955</u>	<u>14,489</u>	<u>7,062</u>	<u>661,506</u>	<u>600,704</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,533)	8,111	(6,146)	(60,568)	(37,194)
Other Financing Sources Operating transfers in	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>37,000</u>	<u>21,000</u>
Excess (Deficiency) of Revenues and other financing sources Over (Under) Expenditures	(25,533)	8,111	(6,146)	(23,568)	(16,194)
Fund balances, beginning of year	<u>126,590</u>	<u>159,582</u>	<u>26,538</u>	<u>312,710</u>	<u>328,904</u>
Fund balances, end of year	<u>\$ 101,057</u>	<u>\$ 167,693</u>	<u>\$ 20,392</u>	<u>\$ 289,142</u>	<u>\$ 312,710</u>

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

Town of Glenmora, Louisiana
 Combined Statement of Revenues, Expenditures and Changes
 in Fund Balances - Budget (GAAP Basis) and Actual -
 General Fund and Special Revenue Fund
 For the Year Ended June 30, 1999

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues						
Taxes	\$ 324,700	\$ 314,368	\$ (10,332)	\$ -	\$ -	\$ -
Licenses and permits	22,200	28,877	6,677	-	-	-
Intergovernmental	34,000	34,257	257	-	-	-
Fines	65,000	63,927	(1,073)	-	-	-
Franchise fees	43,400	40,230	(3,170)	-	-	-
Mineral lease	35,000	35,316	316	-	-	-
Miscellaneous	30,800	60,447	29,647	22,225	22,600	375
Total Revenues	555,100	577,422	22,322	22,225	22,600	375
Expenditures						
Current						
General Government	194,165	192,317	1,848	16,700	14,489	2,211
Public Safety	185,440	192,648	(7,208)	-	-	-
Streets	183,449	187,576	(4,127)	-	-	-
Sanitation	46,500	46,530	(30)	-	-	-
Debt Service						
Principal	17,000	18,714	(1,714)	-	-	-
Interest	2,000	2,170	(170)	-	-	-
Total Expenditures	628,554	639,955	(11,401)	16,700	14,489	2,211
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,454)	(62,533)	10,921	5,525	8,111	2,586
Other Financing Sources						
Operating transfers in	37,000	37,000	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ (36,454)	(25,533)	\$ 10,921	\$ 5,525	8,111	\$ 2,586
Fund balances, beginning of year		126,590			159,582	
Fund balances, end of year		\$ 101,057			\$ 167,693	

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

Town of Glenmora
Enterprise Funds
Comparative Statement of Revenues, Expenses, and
Changes in Retained Earnings (Deficit) - Proprietary Fund Type
Years Ended June 30, 1999 and 1998

	Totals	
	1999	1998
Operating Revenues		
Charges for services	\$ 187,445	\$ 225,783
Gas charges	128,688	142,382
Water charges	63,365	62,230
Sewer charges	13,640	15,157
Other charges	1,757	2,139
Miscellaneous	394,895	447,691
Total Operating Revenues		
Operating Expenses	103,027	103,428
Salaries and benefits	7,690	7,747
Payroll taxes	45,005	82,889
Gas purchases	10,262	5,534
Legal and professional	20,085	23,427
Repairs and maintenance	23,618	21,979
Insurance	6,292	3,037
Truck expense	75,626	76,022
Depreciation	9,980	11,007
Water well power	511	588
Telephone	1,729	11,035
Bad debts	10,506	14,270
Supplies	3,903	6,177
Office Expense	14,652	7,765
Miscellaneous	332,886	374,905
Total Operating Expenses		
Operating Income	62,009	72,786
Nonoperating Revenues (Expenses)	12,066	14,575
Interest income	(67,160)	(65,488)
Interest expense	(55,094)	(50,913)
Total Nonoperating Revenues (Expenses)		
Income Before Operating Transfer	6,915	21,873
Operating Transfers Out	(37,000)	(21,000)
Net Income (Loss)	(30,085)	873
Retained Earnings (Deficit), Beginning of Year	(290,304)	(291,177)
Retained Earnings (Deficit), End of Year	\$ (320,389)	\$ (290,304)

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

Town of Glenmora
Enterprise Funds
Comparative Statement of Cash Flows - Proprietary Fund Type
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash Flows from Operating Activities		
Operating Income	\$ 62,009	\$ 72,786
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	76,444	76,022
Decrease in accounts receivable	173	3,376
Decrease in accounts payable	(284)	(250)
Increase (Decrease) in accrued liabilities	437	(234)
Increase in due to other funds	14,439	29,138
Increase in customer deposits	4,090	744
Net cash provided by operating activities	<u>157,308</u>	<u>181,582</u>
 Cash flow from noncapital financing activities:		
Operating transfers out	<u>(37,000)</u>	<u>(21,000)</u>
 Cash flow from capital and related financing activities:		
Acquisition of capital assets	(31,778)	(30,562)
Principal paid on revenue bonds and note	(60,519)	(62,572)
Interest paid on revenue bonds and note	(67,160)	(65,488)
Net cash (used) by capital and related financing activities	<u>(159,457)</u>	<u>(158,622)</u>
 Cash flow from investing activities:		
Interest on investments	<u>12,066</u>	<u>14,575</u>
 Net (decrease) increase in cash and equivalents	(27,083)	16,535
 Cash and equivalents, beginning of year	<u>391,608</u>	<u>375,073</u>
 Cash and equivalents, end of year	<u>\$ 364,525</u>	<u>\$ 391,608</u>

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

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1999

Note 1 - Summary of Significant Accounting Policies

The Town of Glenmora (the "Town") was incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The financial statements of the Town of Glenmora, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

The financial statements of the Town consist only of the funds and account groups of the Town. The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing body.

B. Fund Accounting

The Town uses funds and account groups to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Town provides goods or services from such activities to outside parties (enterprise funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

C. Basis of Accounting

All governmental funds and the agency fund are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes are recorded as revenue when levied. Penalties, fines and bonds, sales taxes, franchise taxes and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Intergovernmental revenue and interest

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1999

Note 1 - Summary of Significant Accounting Policies, Continued

income is accrued when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned, and expenses are recognized when they are incurred.

D. Budgets and Budgetary Accounting

The Mayor and Board of Aldermen follow these procedures in establishing the budgetary data reflected in the financial statements.

1. The Town Clerk prepares a proposed budget and submits it to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, the date of a public hearing is published.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After 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 or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen through an amended budget submitted by the Town Clerk. Monthly the Board of Aldermen compares actual year-to-date revenues and expenditures to the current year budget, and they make necessary amendments to the budget. The Town Clerk is responsible for advising the Board of Aldermen when total revenues and/or expenditures are projected to have a variance in excess of what is allowed by Louisiana Revised Statutes.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General Fund, Special Revenue Fund and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Mayor and Board of Aldermen. Such amendments were not material in relation to the original appropriations.
8. Special Revenue Fund budgets for federal funds projects lasting more than one year are established at the time grant applications are submitted.

E. Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1999

Note 1 - Summary of Significant Accounting Policies, Continued

F. Due To/From Other Funds

Amounts in each fund listed as due to/from are offset by corresponding entries in other funds. Funds shown as such are considered available for expenditure unless specifically restricted within the statements.

G. Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and they are recorded as expenditures in the governmental funds when purchased. The Town has elected not to capitalize public domain ("infrastructures") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets. Fixed assets are valued at historical cost, unless they were donated in which case they are valued at fair market value at the date of donation. Donated fixed assets represent 3.7% of total general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

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.

Fixed assets used in the proprietary fund type operations are included on the balance sheet of the fund at historical costs. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on the proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Utility Production and Distribution Systems.....	25-50 years
Equipment.....	5-10 years
Vehicles.....	3-5 years

H. Compensated Absences

An employee may earn up to 10 days vacation depending on type and length of service. Employees paid on an hourly basis may earn up to five days of sick leave per year. All other employees take sick leave on an as needed basis, however, they do not accrue any sick leave. All vacation and sick leave accrues on a calendar year basis with all unused sick leave being paid to the hourly basis employees in December. The Town's liability for accumulated-unpaid vacation and sick leave, all fund types, was considered to be immaterial and, therefore, excluded from the financial statements.

I. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/ expenses initially made from it that are 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 are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other transfers are reported as operating transfers.

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1999

Note 1 - Summary of Significant Accounting Policies, Continued

J. Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

K. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

L. Bad Debts

Uncollectible amounts due for ad valorem taxes, customers' utility receivables and economic development loans receivable are recognized as bad debts through the establishment of an allowance account based on historical information which would indicate the uncollectibility of a portion of the particular receivable.

M. Retained Earnings Reserved for Debt Service

Retained earnings reserved for debt service represents a legally segregated trust account required by the bond indenture that is equal to the annual principal and interest due for the next year.

N. Retained Earnings Reserved for Economic Development

Retained earnings reserved for economic development represents amounts restricted for low to moderate-income development in the Town of Glenmora area.

Note 2 - Deficit Retained Earnings

The Water and Sewer Fund (an enterprise fund) has a deficit retained earnings balance of \$434,945. However, contributions by the municipality and federal grants have created a total fund equity balance of \$985,748.

Note 3 - Cash and Cash Equivalents

These deposits are stated at cost, which approximates market. Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). 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. The securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank. Cash and cash equivalents (bank balances) at June 30, 1999, are secured as follows:

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1999

Note 3 - Cash and Cash Equivalents, Continued

Bank balances	\$ <u>462,081</u>
Federal deposit insurance	\$ 263,648
Pledged securities (uncollateralized)	<u>198,433</u>
 Total	 <u>\$ 462,081</u>

Even though the pledged securities are considered uncollateralized under the provisions of GASB 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 Town that the fiscal agent has failed to pay deposited funds upon demand.

Note 4 - Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

For the year ended June 30, 1999, taxes of 5.21 mills were levied on properties with assessed valuations totaling \$2,433,349 and were dedicated to general corporate purposes.

Ad valorem tax receivable at June 30, 1999 was \$471.

Note 5 - Accounts Receivable - Utility Systems

Accounts receivable are composed of the following

	<u>Natural Gas</u>	<u>Water and Sewer system</u>	<u>Total</u>
Billed services	\$ 18,124	\$ 25,372	\$ 43,496
Unbilled services	<u>4,334</u>	<u>8,483</u>	<u>12,817</u>
	22,458	33,855	56,313
Less allowance for doubtful accounts	<u>(6,250)</u>	<u>(8,750)</u>	<u>(15,000)</u>
	<u>\$ 16,208</u>	<u>\$ 25,105</u>	<u>\$ 41,313</u>

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1999

Note 6 - Due to/from Other Funds

<u>Receivables Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Gas Fund	\$ 58,552
General Fund	Water and Sewer Fund	46,628
General Fund	Economic Development	314
Payroll Fund	General Fund	1,060
Payroll Fund	Utility Fund	1,579
Gas Fund	Economic Development	3,000
Gas Fund	Payroll Fund	422
Sewerage District No. 1	Town of Glenmora (Debt Service)	2500
		<u>\$ 114,055</u>

Note 7 - Notes Receivable

Funds previously received from the Louisiana Department of Urban & Community Affairs under the Community Development Block Grant Program are being used by a Special Revenue Fund (Economic Development). Loans are made to businesses to enhance economic development in the Town. As the loans are repaid, the monies are deposited into the Special Revenue Fund (Economic Development) with future use being restricted to economic development.

Notes Receivable is as follows:

Reggie's Restaurant	
Original Amount \$56,800, 240 payments of \$410 per month including interest at 6%	\$ 56,800
Glenmora Tailor Shop	
Original amount \$73,000, 180 payments of \$657 per month including interest at 7%	60,934
Eagle Charter and Tour Service	
Original amount \$35,000, 96 payments of \$488.68 per month including interest at 7%	12,146
The Lighthouse	
Original amount \$30,000, 120 payments of \$348.30 per month including interest at 7%	<u>19,202</u>
	149,082
Less allowance for doubtful accounts	<u>(925)</u>
	<u>\$ 148,157</u>

Note 8 - Restricted Assets

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1999

Note 8 - Restricted Assets

Certain enterprise fund resources are classified as restricted assets on the balance sheet because their use is restricted by applicable bond covenants. The "Utilities Revenue Bond and Interest Sinking Fund" account and the "Gas Utility Revenue Bond Fund" account are used to accumulate monies to be used for debt service payments within the next twelve months. The "Debt Service Reserve" account and the "Gas Utility Revenue Bond Reserve Fund" account are used to accumulate monies to make up potential future deficiencies in the sinking fund accounts identified above. The "Depreciation and Contingency Fund" accounts are used for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, replacements and extensions for the Water and Sewer System and the Natural Gas System, respectively. In the presentation of restricted assets, the Town's account titles vary slightly from the legal account titles described above.

	1999		1998	
	Natural Gas System	Water and Sewer	Natural Gas System	Water and Sewer
Revenue bond sinking fund account	\$ 47,683	\$ 26,693	\$ 71,277	\$ 41,373
Revenue bond reserve fund account	82,429	83,464	76,950	78,656
Depreciation and contingency fund account	65,102	9,192	60,792	7,991
Customers' deposits	11,939	6,629	11,373	16,171
	<u>\$ 207,153</u>	<u>\$ 125,978</u>	<u>\$ 220,392</u>	<u>\$ 144,191</u>

Note 9 - Fixed Assets

General Fixed Assets

A summary of changes in general fixed assets is as follows:

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Land	\$ 139,975	\$ -	\$ -	\$ 139,975
Buildings	144,996	-	-	144,996
Equipment	105,431	15,736	-	121,167
Automobiles, trucks and tractors	234,867	36,324	-	271,191
	<u>\$ 625,269</u>	<u>\$ 52,060</u>	<u>\$ -</u>	<u>\$ 677,329</u>

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1999

Note 9 - Fixed Assets, Continued

Proprietary Fund Type - Enterprise

A summary of proprietary fund type plant and equipment at June 30, 1999, is as follows:

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Gas Utility				
Distribution system	\$ 1,052,916	\$ -	\$ -	\$ 1,052,916
Gas lines	158,438	-	-	158,438
Meters and regulators	4,717	-	-	4,717
Equipment	17,931	2,518	-	20,449
Total Gas Utility	<u>1,234,002</u>	<u>2,518</u>	<u>-</u>	<u>1,236,520</u>
Less: Accumulated depreciation	(439,964)	-	(26,299)	(466,263)
Net Gas Utility	<u>794,038</u>	<u>2,518</u>	<u>(26,299)</u>	<u>770,257</u>
Water Utility				
Distribution system	260,861	-	-	260,861
Water wells	162,746	25,443	-	188,189
Water tank	154,698	-	-	154,698
Fire hydrants	5,449	-	-	5,449
Meters	3,805	-	-	3,805
Total Water Utility	<u>587,559</u>	<u>25,443</u>	<u>-</u>	<u>613,002</u>
Sewer System				
Sewer	1,730,079	-	-	1,730,079
Oxidation pond	4,410	-	-	4,410
Equipment	53,809	3,818	-	57,627
Total Sewer System	<u>1,788,298</u>	<u>3,818</u>	<u>-</u>	<u>1,792,116</u>
Total Water and Sewer Systems	<u>2,375,857</u>	<u>29,261</u>	<u>-</u>	<u>2,405,118</u>
Less: Accumulated depreciation	(932,557)	-	(50,146)	(982,703)
Net Water and Sewer Systems	<u>1,443,300</u>	<u>29,261</u>	<u>(50,146)</u>	<u>1,422,415</u>
Total Proprietary Fund Type	<u>\$ 2,237,338</u>	<u>\$ 31,779</u>	<u>\$ (76,445)</u>	<u>\$ 2,192,672</u>

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1999

Note 10 - Pension Plans

The Town contributes to the Municipal Employees Retirement System (the system), a cost sharing multiple-employer, public retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two distinct plans (Plan A and Plan B). Town employees are members of Plan B.

The System also provides retirement, death and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The Municipal Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Municipal Employees Retirement System, 7937 Office Park Blvd., Baton Rouge, LA 70809 or by calling (225) 925-4810.

Covered employees are required by state statute to contribute 5 percent of their salary to the plan. The Town is required by the same statute to contribute 2.75 percent. In addition, contributions to the System include 1/4 of one percent of the taxes shown to be collected by the sheriff of each respective parish, except Orleans Parish. The Town's contributions to the system for the years ended June 30, 1999, 1998 and 1997 were \$4,950, \$3,712, and \$4,116, respectively, equal to the required contributions for each year.

Note 11 - Changes in Long-Term Debt

The following is a summary of debt transactions of the Town for the year ended June 30, 1999:

	General Obligation Bonds	Capitalized Lease Obligation	Revenue Bonds	Notes Payable
Debt payable, beginning of year	\$ 60,000	\$ 11,805	\$ 1,221,250	\$ 58,272
New debt issued	-	38,844	-	-
Debt retired	4,000	19,002	62,353	4,659
Debt payable, end of year	<u>\$ 56,000</u>	<u>\$ 31,647</u>	<u>\$ 1,158,897</u>	<u>\$ 53,613</u>

Out of the total revenue bonds payable at June 30, 1999, \$61,387 is classified as liabilities payable from restricted assets in the combined balance sheet.

Debt as of June 30, 1999, is comprised of the following individual items:

General Obligation Bonds:

\$112,000 issued January 1, 1973, Public Improvement Bonds due in annual installments of \$4,000 from 1999 through 2013, plus interest at 5%.
(This issue secured by levy and collection of ad valorem taxes.)

\$ 56,000

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1999

Note 11 - Changes in Long-Term Debt, Continued

Capitalized Lease Obligations:

\$26,312 issued September 1996 – Due in monthly installments of \$833.67, including interest at 8.75% (Secured by 1996 Crown Victoria)	\$ 1,649
\$15,416 issued September 1998 – Due in monthly installments of \$470.73, including interest at 10% (Secured by 1998 Ford F-150)	11,419
\$23,428 issued November 1998 – Due in monthly installments of \$712.73, including interest at 10% (Secured by 1999 Crown Victoria)	<u>18,579</u>
	<u>\$ 31,647</u>

Revenue Bonds:

\$850,000, 1973 Water and Sewer Bonds - Due in various installments, including interest at 5%. (This issue is secured by revenues from the system.)	\$ 498,300
\$1,110,000 New Gas System Bonds - due in annual installments of \$74,514 through 2010, including interest at 5%. (This issue is secured by revenues from the system.)	<u>660,597</u>
	<u>\$1,158,897</u>

Note Payable:

\$38,512 dated April 12, 1985, rescheduled delinquent interest and principal payments to FHA on Water & Sewer Bonds, due in annual installments of \$2,630, including interest at 5%	\$ 23,566
\$40,030 issued June 1996 - Due in semi-annual installments of \$2,580, including interest at 5.1% (Secured by 94.98 acres of land)	<u>\$ 30,047</u>
	<u>\$ 53,613</u>

The annual requirements to amortize all debt outstanding as of June 30, 1999, including approximate interest payments of \$479,307 are as follows:

Year Ending June 30	General Obligation	Capitalized Lease Obligations	Revenue Bonds	Note Payable	Total
2000	6,800	15,869	124,929	7,790	155,388
2001	6,600	14,202	124,654	7,790	153,246
2002	6,400	3,792	124,429	7,790	142,411
2003	6,200	-	125,049	7,790	139,039
2004	6,000	-	124,569	7,790	138,359
2005-2009	27,000	-	621,190	22,194	670,384
2010-2014	18,000	-	350,231	5,596	373,827
2015-2019	-	-	6,810	-	6,810
	<u>\$ 77,000</u>	<u>\$ 33,863</u>	<u>\$ 1,601,861</u>	<u>\$ 66,740</u>	<u>\$ 1,779,464</u>

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1999

Note 11 - Changes in Long-Term Debt, Continued

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions except as follows:

The Town is required to maintain liability insurance covering the Natural Gas System and Water and Sewer Systems. Due to the high cost of insurance premiums, the Town does not maintain this coverage for the utility systems.

Note 12 - Segment Information for Enterprise Fund

	<u>Natural Gas System</u>	<u>Water and Sewer</u>	<u>Total</u>
Operating Revenues	\$ 193,928	\$ 200,967	\$ 394,895
Depreciation	26,299	49,327	75,626
Operating income	38,566	23,443	62,009
Non-operating revenues and (expenses)			
Interest income	7,146	4,920	12,066
Interest expense	(38,749)	(28,411)	(67,160)
Operating transfers out	(18,000)	(19,000)	(37,000)
Net income (loss)	(11,037)	(19,048)	(30,085)
Accounts receivable (net of allowance)	16,208	25,105	41,313
Allowance for doubtful accounts	6,250	8,750	15,000
Increase (decrease) in cash and cash equivalents	(13,045)	(14,038)	(27,083)
Total assets	1,012,542	1,594,031	2,606,573
Bonds and other long-term liabilities payable from operating revenues	625,052	497,839	1,122,891
Total equity	239,075	985,748	1,224,823

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1999

Note 13 - Garbage Disposal Contract

On July 23, 1996, the Town contracted for garbage disposal for a period of three years with monthly payments of \$3,198.

Note 14 - Concentrations of Credit Risk

The accounts receivable from utility customers and the economic development loans receivable are due from businesses and residents of the Town of Glenmora. The collectability of these financial instruments is dependent upon the general economic conditions in the Town of Glenmora geographical area.

Note 15 - Pending Litigation

The Town of Glenmora is a defendant in various lawsuits. The Town's legal counsel is of the opinion the amount, if any, of damages for which the Town of Glenmora is responsible would be less than the policy limits of insurance carried by the Town of Glenmora.

Note 16 - Risk Management

The Town of Glenmora is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. It is the policy of the Town to purchase commercial insurance for the risks of losses to which it is exposed. The Town does not maintain casualty coverage for the natural gas, and water and sewer systems. The financial impact, if any, resulting from inadequate insurance cannot be reasonably estimated.

Note 17 – Capital Lease

On August 1, 1996, the Town entered a lease agreement for a 1996 police car for a period of three years with monthly payments of \$834. In September 1998, the Town entered a lease agreement for a 1998 Ford F-150 Pickup for a period of three years with monthly payments of \$471. In November of 1998, the Town entered a lease agreement for a 1999 Crown Victoria police car for a period of three years with monthly payments of \$713.

Note 18 – Mineral Lease

On October 8, 1996, Chesapeake Operating, Inc. entered into a lease agreement with the Town for mineral rights on approximately 107.37 acres of land for a period of three years. The payment for these rights is \$120,254.40 for the first year of the lease and annual rental of not less than ½ of the total cash payment or \$60,127.20 whichever is greater. Royalties will be paid in the amount of 25% of all oil, gas, and other liquid or gaseous liquids produced, saved, or utilized, but not less than 1/8th. Amounts received under this lease agreement are reported as revenues in the general fund.

Note 19 – Subsequent Events

The Town has published a resolution declaring its intention to issue Water Revenue Bonds not exceeding \$1,500,000 to expand and upgrade the water system.

On July 13, 1999, the Town contracted for garbage disposal for a period of two years with monthly payments of \$3,715 per month.

**Financial Statements of
Individual Funds and Account Groups**

GENERAL FUND

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

Town of Glenmora, Louisiana
 General Fund
 Comparative Balance Sheets
 June 30, 1999

	1999	1998
Assets		
Cash and cash equivalents	12,456	43,061
Receivables (Net of allowance for doubtful accounts)		
Taxes	471	1,195
Due from other funds	105,494	91,056
Total Assets	118,421	135,312
Liabilities and Equity		
Liabilities		
Accounts payable	16,304	7,662
Due to other funds	1,060	1,060
Total Liabilities	17,364	8,722
Fund Equity-Fund Balances		
Unreserved-undesignated	101,057	126,590
Total Liabilities and Equity	118,421	135,312

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

Town of Glenmora, Louisiana
 Comparative Statements of Revenues, Expenditures and Changes
 in Fund Balances - Budget (GAAP Basis) and Actual - General Fund
 For the Year Ended June 30, 1999
 With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenues				
Taxes	\$ 324,700	\$ 314,368	\$ (10,332)	\$ 281,979
Licenses and permits	22,200	28,877	6,677	30,759
Intergovernmental	34,000	34,257	257	19,146
Fines	65,000	63,927	(1,073)	68,462
Franchise fees	43,400	40,230	(3,170)	36,898
Mineral lease	35,000	35,316	316	78,552
Miscellaneous	30,800	60,447	29,647	31,842
Total Revenues	<u>555,100</u>	<u>577,422</u>	<u>22,322</u>	<u>547,638</u>
Expenditures				
Current				
General Government	194,165	192,317	1,848	147,046
Public Safety	185,440	192,648	(7,208)	179,647
Streets	183,449	187,576	(4,127)	184,013
Sanitation	46,500	46,530	(30)	37,708
Debt Service				
Principal	17,000	18,714	(1,714)	12,002
Interest	2,000	2,170	(170)	1,186
Total Expenditures	<u>628,554</u>	<u>639,955</u>	<u>(11,401)</u>	<u>561,602</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,454)	(62,533)	10,921	(13,964)
Other Financing Sources				
Operating transfers in	<u>37,000</u>	<u>37,000</u>	-	<u>21,000</u>
Excess (Deficiency) of Revenues and other financing sources Over (Under) Expenditures	<u>\$ (36,454)</u>	(25,533)	<u>\$ 10,921</u>	7,036
Fund balances, beginning of year		<u>126,590</u>		<u>119,554</u>
Fund balances, end of year		<u>\$ 101,057</u>		<u>\$ 126,590</u>

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

SPECIAL REVENUE FUNDS

Economic Development - To account for monies loaned to enhance local economic development.

Town of Glenmora, Louisiana
Special Revenue Fund
Comparative Balance Sheets
June 30, 1999 and 1998

	1999	1998
Assets		
Cash and cash equivalents	22,418	63,212
Receivables (Net of allowance for doubtful accounts)		
Accrued interest	432	432
Notes	148,157	99,252
Total Assets	171,007	162,896
Liabilities and Equity		
Liabilities		
Due to other funds	3,314	3,314
Total Liabilities	3,314	3,314
Fund Equity-Fund Balances		
Reserved for economic development	167,693	159,582
Total Liabilities and Fund Equity	171,007	162,896

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

Town of Glenmora, Louisiana
Special Revenue Fund - Economic Development
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances
For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues		
Miscellaneous	<u>\$ 22,600</u>	<u>\$ 14,572</u>
Total Revenues	<u>22,600</u>	<u>14,572</u>
Expenditures		
General Government	<u>14,489</u>	<u>31,902</u>
Total Expenditures	<u>14,489</u>	<u>31,902</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,111	(17,330)
Fund balances, beginning of year	<u>159,582</u>	<u>176,912</u>
Fund balances, end of year	<u><u>\$ 167,693</u></u>	<u><u>\$ 159,582</u></u>

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

Town of Glenmora, Louisiana
Special Revenue Fund - Economic Development
Comparative Statements of Revenues, Expenditures and Changes
in Fund Balances - Budget (GAAP Basis) and Actual -
For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$ 22,225	\$ 22,600	\$ 375	\$ 14,572
Expenditures				
General Government	<u>16,700</u>	<u>14,489</u>	<u>2,211</u>	<u>31,902</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,525</u>	8,111	<u>\$ (1,836)</u>	(17,330)
Fund balances, beginning of year		<u>159,582</u>		<u>176,912</u>
Fund balances, end of year		<u>\$ 167,693</u>		<u>\$ 159,582</u>

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

DEBT SERVICE FUNDS

To accumulate monies for payment of the Public Improvement General Obligation Bonds which are due in annual installments of \$4,000 from 1999 through 2013, plus interest at 5%.

Town of Glenmora, Louisiana
Debt Service Funds
Combining Balance Sheets
June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	<u>Town of Glenmora</u>	<u>Sewerage District No 1</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
Assets				
Cash and cash equivalents	\$ 13,188	\$ 7,168	\$ 20,356	\$ 26,502
Receivables				
Accrued interest	18	18	36	36
Due from other funds	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total Assets	<u><u>\$ 13,206</u></u>	<u><u>\$ 9,686</u></u>	<u><u>\$ 22,892</u></u>	<u><u>\$ 26,538</u></u>
Liabilities				
Due to other funds	\$ 2,500	\$ -	\$ 2,500	\$ -
Total Liabilities	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
Fund Equity				
Fund Equity-Fund Balances				
Reserved for debt service	<u>10,706</u>	<u>9,686</u>	<u>20,392</u>	<u>26,538</u>
Total Liabilities and Fund Equity	<u><u>\$ 13,206</u></u>	<u><u>\$ 9,686</u></u>	<u><u>\$ 22,892</u></u>	<u><u>\$ 26,538</u></u>

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

Town of Glenmora, Louisiana
Debt Service Funds
Combining Statements of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	<u>Town of Glenmora</u>	<u>Sewerage District No 1</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
Revenues				
Miscellaneous	<u>\$ 612</u>	<u>\$ 304</u>	<u>\$ 916</u>	<u>\$ 1,300</u>
Expenditures				
Principal retirement	2,000	2,000	4,000	4,000
Interest	1,500	1,500	3,000	3,200
Miscellaneous	10	52	62	-
Total Expenditures	<u>3,510</u>	<u>3,552</u>	<u>7,062</u>	<u>7,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,898)	(3,248)	(6,146)	(5,900)
Fund balances, beginning of year	<u>13,604</u>	<u>12,934</u>	<u>26,538</u>	<u>32,438</u>
Fund balances, end of year	<u>\$10,706</u>	<u>\$ 9,686</u>	<u>\$ 20,392</u>	<u>\$ 26,538</u>

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

ENTERPRISE FUNDS

Natural Gas Fund - To account for the provision of natural gas services to the 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, billing and collection.

Water and Sewer Fund - To account for the provision of water and sewer services to the 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, billing and collection.

Town of Glenmora, Louisiana
Enterprise Funds
Combining Balance Sheets
June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

Assets	Natural Gas System	Water and Sewer	Totals	
			1999	1998
Current Assets				
Cash and cash equivalents	\$ 11,298	\$ 20,095	\$ 31,393	\$ 27,024
Receivables (Net of allowance for doubtful accounts)				
Accounts	16,208	25,105	41,313	45,540
Accrued interest	150	438	588	588
Due from others	4,054	-	4,054	-
Due from other funds	3,422	-	3,422	3,422
Total Current Assets	<u>35,132</u>	<u>45,638</u>	<u>80,770</u>	<u>76,574</u>
Restricted Assets				
Cash and cash equivalents				
Contingency, Reserve & Sinking Funds	195,214	119,349	314,563	337,039
Customers' deposits	11,939	6,629	18,568	27,544
Total Restricted Assets	<u>207,153</u>	<u>125,978</u>	<u>333,131</u>	<u>364,583</u>
Plant and Equipment				
Water and sewer fixed assets, at cost, net of accumulated depreciation	-	1,422,415	1,422,415	1,443,300
Natural gas system fixed assets, at cost, net of accumulated depreciation	770,257	-	770,257	794,038
Total Plant and Equipment	<u>770,257</u>	<u>1,422,415</u>	<u>2,192,672</u>	<u>2,237,338</u>
 Total Assets	 <u>\$ 1,012,542</u>	 <u>\$ 1,594,031</u>	 <u>\$ 2,606,573</u>	 <u>\$ 2,678,495</u>

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

Town of Glenmora, Louisiana
Enterprise Funds
Combining Balance Sheets
June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

Liabilities and Fund Equity	Natural Gas System	Water and Sewer	Totals	
			1999	1998
Current Liabilities				
Accounts payable	\$ 2,464	\$ 4,764	\$ 7,228	\$ 7,075
Due to other funds	58,552	48,208	106,760	92,321
Notes payable	-	1,000	1,000	1,000
Total Current Liabilities	<u>61,016</u>	<u>53,972</u>	<u>114,988</u>	<u>100,396</u>
Liabilities Payable from Restricted Assets				
Customers' deposits payable	22,884	17,455	40,339	36,249
Revenue bonds payable	37,633	23,754	61,387	61,387
Accrued interest	26,882	15,263	42,145	42,145
Total Liabilities Payable from Restricted Assets	<u>87,399</u>	<u>56,472</u>	<u>143,871</u>	<u>139,781</u>
Long-Term Liabilities				
Revenue bonds payable	625,052	474,657	1,099,709	1,160,228
Note payable	-	23,182	23,182	23,182
Total Long-Term Liabilities	<u>625,052</u>	<u>497,839</u>	<u>1,122,891</u>	<u>1,183,410</u>
Total Liabilities	<u>773,467</u>	<u>608,283</u>	<u>1,381,750</u>	<u>1,423,587</u>
Fund Equity				
Contributions				
Municipality	4,323	112,000	116,323	116,323
Federal grants	101,148	1,327,741	1,428,889	1,428,889
Total Contributions	<u>105,471</u>	<u>1,439,741</u>	<u>1,545,212</u>	<u>1,545,212</u>
Retained Earnings (Deficit)				
Reserved for debt service	74,514	53,045	127,559	125,429
Unreserved	59,090	(507,038)	(447,948)	(415,733)
Total Retained Earnings (Deficit)	<u>133,604</u>	<u>(453,993)</u>	<u>(320,389)</u>	<u>(290,304)</u>
Total Fund Equity	<u>239,075</u>	<u>985,748</u>	<u>1,224,823</u>	<u>1,254,908</u>
Total Liabilities and Fund Equity	<u>\$ 1,012,542</u>	<u>\$ 1,594,031</u>	<u>\$ 2,606,573</u>	<u>\$ 2,678,495</u>

Town of Glenmora
Enterprise Funds
Combining Statements of Revenues, Expenses, and
Changes in Retained Earnings (Deficit)
Year Ended June 30, 1999
With Comparative Totals for Year Ended June 30, 1998

	Natural Gas System	Water and Sewer	Totals	
			1999	1998
Operating Revenues				
Charges for services				
Gas charges	\$ 187,445	\$ -	\$ 187,445	\$ 225,783
Water charges	-	128,688	128,688	142,382
Sewer charges	-	63,365	63,365	62,230
Other charges	6,003	7,637	13,640	15,157
Miscellaneous	480	1,277	1,757	2,139
Total Operating Revenues	<u>193,928</u>	<u>200,967</u>	<u>394,895</u>	<u>447,691</u>
Operating Expenses				
Salaries and benefits	47,850	55,177	103,027	103,428
Payroll taxes	3,531	4,159	7,690	7,747
Gas purchases	45,005	-	45,005	82,889
Legal and professional	5,320	4,942	10,262	5,534
Repairs and maintenance	2,222	17,863	20,085	23,427
Insurance	11,377	12,241	23,618	21,979
Truck expense	1,110	5,182	6,292	3,037
Depreciation	26,299	49,327	75,626	76,022
Water well power	-	9,980	9,980	11,007
Telephone	259	252	511	588
Bad debts	1,729	-	1,729	11,035
Supplies	5,871	4,635	10,506	14,270
Office Expense	1,166	2,737	3,903	6,177
Miscellaneous	3,623	11,029	14,652	7,765
Total Operating Expenses	<u>155,362</u>	<u>177,524</u>	<u>332,886</u>	<u>374,905</u>
Operating Income	<u>38,566</u>	<u>23,443</u>	<u>62,009</u>	<u>72,786</u>
Nonoperating Revenues (Expenses)				
Interest income	7,146	4,920	12,066	14,575
Interest expense	(38,749)	(28,411)	(67,160)	(65,488)
Total Nonoperating Revenues (Expenses)	<u>(31,603)</u>	<u>(23,491)</u>	<u>(55,094)</u>	<u>(50,913)</u>
Income Before Operating Transfer	6,963	(48)	6,915	21,873
Operating Transfers Out	<u>(18,000)</u>	<u>(19,000)</u>	<u>(37,000)</u>	<u>(21,000)</u>
Net Income (Loss)	(11,037)	(19,048)	(30,085)	873
Retained Earnings (Deficit), Beginning of Year	<u>144,641</u>	<u>(434,945)</u>	<u>(290,304)</u>	<u>(291,177)</u>
Retained Earnings (Deficit), End of Year	<u>\$ 133,604</u>	<u>\$ (453,993)</u>	<u>\$ (320,389)</u>	<u>\$ (290,304)</u>

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

Town of Glenmora
Enterprise Funds
Combining Statements of Cash Flows
Year Ended June 30, 1999
With Comparative Totals for Year Ended June 30, 1998

	Natural Gas System	Water and Sewer	Totals	
			1999	1998
Cash Flows from Operating Activities				
Operating income	\$ 38,566	\$ 23,443	\$ 62,009	\$ 72,786
Adjustments to reconcile net operating income to net cash provided by operating activities				
Depreciation	26,299	50,145	76,444	76,022
(Increase) decrease in accounts receivable	(2,456)	2,629	173	3,376
Increase (decrease) in accounts payable	(1,109)	825	(284)	(250)
Increase (decrease) in accrued liabilities	-	437	437	(234)
Increase in due to other funds	11,077	3,362	14,439	29,138
Increase in customers' deposits payable	2,464	1,626	4,090	744
Net Cash Provided by Operating Activities	<u>74,841</u>	<u>82,467</u>	<u>157,308</u>	<u>181,582</u>
Cash Flows from Non-capital Financing Activities				
Operating transfers out	<u>(18,000)</u>	<u>(19,000)</u>	<u>(37,000)</u>	<u>(21,000)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(2,518)	(29,260)	(31,778)	(30,562)
Principal paid on revenue bonds and notes payable	(35,765)	(24,754)	(60,519)	(62,572)
Interest paid on revenue bonds and notes payable	<u>(38,749)</u>	<u>(28,411)</u>	<u>(67,160)</u>	<u>(65,488)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(77,032)</u>	<u>(82,425)</u>	<u>(159,457)</u>	<u>(158,622)</u>
Cash Flows from Investing Activities				
Interest on investments	<u>7,146</u>	<u>4,920</u>	<u>12,066</u>	<u>14,575</u>
Net increase (decrease) in cash and cash equivalents	(13,045)	(14,038)	(27,083)	16,535
Cash and cash equivalents, beginning of year	<u>231,496</u>	<u>160,112</u>	<u>391,608</u>	<u>375,073</u>
Cash and cash equivalents, end of year	<u>\$ 218,451</u>	<u>\$ 146,074</u>	<u>\$ 364,525</u>	<u>\$ 391,608</u>

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

Town of Glenmora
Enterprise Funds
Schedule of Cash Receipts and Disbursements -
Restricted Assets Required by Revenue Bond Ordinances
Year Ended June 30, 1999

	Revenue Bond Sinking Fund			Revenue Bond Reserve Fund			Depreciation and Contingencies Fund			Total	
	Natural Gas System	Water and Sewer		Natural Gas System	Water and Sewer		Natural Gas System	Water and Sewer		Natural Gas System	Water and Sewer
Cash and Cash Equivalents Beginning of Year	\$ 71,278	\$ 41,373	\$ 76,950	\$ 78,655	\$ 60,792	\$ 7,991	\$ 209,020	\$ 128,019			
Cash Receipts											
Transfers from operating account	49,676	33,437	2,484	1,622	1,968	944	54,128	36,003			
Interest earned on investments	1,243	1,028	2,995	3,186	2,342	257	6,580	4,471			
Total Cash Receipts	50,919	34,465	5,479	4,808	4,310	1,201	60,708	40,474			
Cash Disbursements											
Principal payments	37,853	24,000	-	-	-	-	37,853	24,000			
Interest payments and other	36,661	25,145	-	-	-	-	36,661	25,145			
Total Cash Disbursements	74,514	49,145	-	-	-	-	74,514	49,145			
Cash and Cash equivalents, End of Year	\$ 47,683	\$ 26,693	\$ 82,429	\$ 83,463	\$ 65,102	\$ 9,192	\$ 195,214	\$ 119,348			

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

AGENCY FUND

Payroll Fund - To account for disbursement of the Town's payroll. The general, economic development and enterprise funds transfer a pro rata amount of the payroll to this fund.

Town of Glenmora, Louisiana
 Agency Fund - Payroll Fund
 Comparative Balance Sheets
 June 30, 1999 and 1998

	1999	1988
Assets		
Cash	\$ 6,331	\$ 5,134
Inter-Government Receivable	2,639	2,639
Total Assets	\$ 8,970	\$ 7,773
Liabilities		
Accrued and withheld payroll taxes and retirement	\$ 8,548	\$ 7,351
Inter-Governmental Payable	422	422
Total Liabilities	\$ 8,970	\$ 7,773

Statements of Changes in Assets and Liabilities
 Year Ended June 30, 1999

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Assets				
Cash	\$ 5,134	\$ 356,556	\$ 355,359	\$ 6,331
Inter-Government Receivable	2,639	-	-	2,639
Total Assets	7,773	356,556	355,359	8,970
Liabilities				
Accrued and withheld payroll taxes, retirement and insurance	\$ 7,351	\$ 101,774	\$ 100,577	\$ 8,548
Inter-Governmental Payable	422	-	-	422
Total Liabilities	\$ 7,773	\$ 101,774	\$ 100,577	\$ 8,970

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

GENERAL FIXED ASSETS
ACCOUNT GROUP

To account for fixed assets not used in
proprietary fund operations.

Town of Glenmora, Louisiana
 Comparative Schedules of General Fixed Assets - By Sources
 June 30, 1999 and 1998

	1999	1998
General Fixed Assets		
Land	\$ 139,975	\$ 139,975
Buildings	144,996	144,996
Equipment	121,167	105,431
Automobiles, trucks and tractors	271,191	234,867
Total General Fixed Assets	\$ 677,329	\$ 625,269
Investment in General Fixed Assets From		
Property acquired prior to 7/01/77*	\$ 58,254	\$ 58,254
Property acquired after 7/01/77		
General fund revenues	254,146	202,086
Economic development fund revenue	155,599	155,599
Federal Revenue Sharing revenues	198,005	198,005
Intergovernmental	11,325	11,325
Total Investment in General Fixed Assets	\$ 677,329	\$ 625,269

* Records reflecting source from which assets were acquired were not maintained prior to 7/01/77.

**GENERAL LONG-TERM
DEBT ACCOUNT GROUP**

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payments of maturing obligations, including interest, are accounted for in Debt Service Funds.

Town of Glenmora, Louisiana
Combining Statements of General Long-Term Debt
Year Ended June 30, 1999
With Comparative Totals for Year Ended June 30, 1998

	General Fund	Economic Development	Town of Glenmora	Sewerage District No 1	Totals	
					1999	1998
Amount Available and to be Provided for the Retirement of General Long-Term Debt						
Amount available in debt service fund for debt retirement	\$ -	\$ -	\$ 13,188	\$ 7,168	\$ 20,356	\$ 26,502
Amount to be provided						
General fund revenues	31,647	-	-	-	31,647	11,805
Ad valorem taxes	-	-	14,812	20,832	35,644	33,498
Economic Development fund revenues	-	30,048	-	-	30,048	33,207
Total Available and to be Provided	<u>\$ 31,647</u>	<u>\$ 30,048</u>	<u>\$ 28,000</u>	<u>\$ 28,000</u>	<u>\$ 117,695</u>	<u>\$ 105,012</u>
General Long-Term Debt Payable						
Bank note	\$ -	\$ 30,048	\$ -	\$ -	\$ 30,048	\$ 33,207
Bonds payable	-	-	28,000	28,000	56,000	60,000
Capitalized lease obligations	31,647	-	-	-	31,647	11,805
Total Payable	<u>\$ 31,647</u>	<u>\$ 30,048</u>	<u>\$ 28,000</u>	<u>\$ 28,000</u>	<u>\$ 117,695</u>	<u>\$ 105,012</u>

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

Supplemental Information

Town of Glenmora, Louisiana
 Schedule of Compensation - Mayor and Alderman
 June 30, 1999

<u>Name</u>	<u>Title</u>	<u>Compensation</u>	<u>Expense Allowance</u>
Tyrone L. Doyle	Mayor	\$ 8,400	\$ 3,600
C.J. Meyers	Alderman	3,000	-
Gregory Odom	Alderman	3,000	-
Jimmie Jarrell	Alderman	3,000	-
Charline Babb	Alderman	3,000	-
Benard McCreery	Alderman	3,000	-
		<u>\$ 23,400</u>	<u>\$ 3,600</u>

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

KNIGHT <> MASDEN

Certified Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

Coan I. Knight, Jr., CPA
K. Martin Masden, CPA

December 4, 1999

Associates:
John E. Theriot II, CPA
Carolyn N. Craft, CPA

**Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Basic Financial
Statements Performed in Accordance With
Government Auditing Standards**

The Honorable Tyrone L. Doyle, Mayor
and Members of the Board of Alderman
Town of Glenmora, Louisiana

We have audited the general purpose financial statements and the combining, individual fund and account group financial statements of the Town of Glenmora, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 4, 1999, which was qualified due to the omission of the year 2000 disclosures that are required by Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*. We conducted our audit in accordance with generally accepted auditing standards, 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 of Glenmora, Louisiana'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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The following was reported on in our prior year's report and corrected in the current year.

Budgets

Louisiana Revised Statutes require that budgets should be amended if actual expenditures plus projected expenditures for the remainder of the year within a fund are exceeding estimated budgeted expenditures by five percent or more.

Budget amendments did not bring the Town into compliance with the Louisiana Revised Statutes for budgets when anticipated expenditures will exceed budgeted expenditures by five percent or more.

We recommend that budgets be prepared and reviewed for all funds and expenditures projected to exceed estimated budgeted amounts by five percent are brought to the attention of the Alderman so that they have the opportunity to determine appropriate action.

Town's Reply - We will alert the Alderman when expenditures are increasing so that proper budget amendments might be enacted.

The Honorable Tyrone Doyle, Jr. Mayor
and Members of the Board of Aldermen
Town of Glenmora, Louisiana
December 4, 1999

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Glenmora, Louisiana's, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an 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 operations that we consider to be reportable conditions. 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 of Glenmora, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

The following items were reported on in our prior year's report and the matters have not been resolved.

Utility Subsidiary Ledger

The Town maintains a separate utility billing system to bill and receipt customers for utility services. The accounts receivable transactions are summarized and entered in the Town's general ledger. We observed that the general ledger and subsidiary utility billing system were not reconciled and differences existed in the ending balances.

We recommend balancing the billing system and general ledger on at least a monthly basis, and more often if a large number of transactions warrant.

Town's reply – We will reconcile the utility billing system and general ledger monthly or more often if necessary.

Traffic Tickets

The Town's police officers issue tickets to persons violating traffic laws within the Town's limits. The Town does not maintain an organized, well-documented system for tracking the disposition of these traffic tickets. While testing these transactions, it took an excessive amount of time and effort to locate tickets and determine its final outcome.

We recommend the Town develop and maintain an organized, orderly process for tracking traffic tickets.

Town's reply – We are in the process of locating a software program to track traffic tickets and will develop a well defined set of procedures for this process.

Utility Deposits

The Town collects a deposit for connecting utilities. Currently the records for customer deposits are maintained on a manual card system and journal entries are made manually in the general ledger. The total of the cards should match the liability account in the general ledger, however, we observed that the card system was not maintained adequately and kept up to date.

We recommend reconciling the cards and general ledger monthly to sufficiently identify customer deposit balances.

Town's reply – We are currently implementing a new utility software system that will allow us to track customer deposits.

The Honorable Tyrone Doyle, Jr. Mayor
and Members of the Board of Aldermen
Town of Glenmora, Louisiana
December 4, 1999

The following item was observed during our current audit.

Cash Deposits

The assistant clerk prepares cash deposits for funds collected by the Town. We noted several instances where cash was deposited to the wrong fund and the error was not discovered until the bank reconciliation was completed.

We recommend a system that allows the clerk to review deposits for accuracy prior to the funds being deposited.

Town's reply – We will develop a system to eliminate the deposit of money to the wrong fund.

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 general purpose 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 considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Mayor and Aldermen. However, this report is a matter of public record and its distribution is not limited.


KNIGHT & MASDEN