

9757

**TOWN OF GRAND ISLE
LOUISIANA**

FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2001

Under provisions of state law, this report is a public document. A copy of this 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 1/23/02

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, as of and for the fiscal year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Grand Isle as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 3, 2001 on my consideration of the Town's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, 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 my audit.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of the Town taken as a whole. The Combining and Individual Fund Statements and Schedules and the Other Supplementary Information, including the Schedule of Expenditures of Federal Awards, as listed in the table of contents, are presented for purposes of additional analysis and as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the general purpose financial statements of the Town of Grand Isle, Louisiana. This information, except for those schedules marked unaudited, on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Paul C. Brin, CPA

December 3, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF GRAND ISLE, LOUISIANA

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001**

| | <u>GOVERNMENTAL FUND TYPES</u> | |
|---|--------------------------------|----------------------------|
| | <u>GENERAL</u> | <u>SPECIAL REVENUE</u> |
| ASSETS | | |
| Cash and cash equivalents | \$ 619,554 | \$ 395,515 |
| Receivables, net | 151,118 | 121,377 |
| Due from other funds | 17,043 | 58,745 |
| Inventory, at cost | 0 | 0 |
| Prepaid items | 45,986 | 22,168 |
| Restricted assets | | |
| Cash and cash equivalents | 0 | 0 |
| Due from other governments | 0 | 0 |
| Property, plant and equipment, net | 0 | 0 |
| Unamortized bond issuance costs | 0 | 0 |
| Amounts to be provided for retirement of general long-term debt | 0 | 0 |
| TOTAL ASSETS | \$ <u>833,701</u> | \$ <u>597,805</u> |
| LIABILITIES, EQUITY AND OTHER CREDITS | | |
| Liabilities | | |
| Accounts payable | \$ 41,151 | \$ 0 |
| Accrued salaries and related liabilities | 11,691 | 733 |
| Due to other funds | 35,068 | 44,101 |
| Appearance bond deposits | 19,295 | 0 |
| Relief funds payable | 0 | 0 |
| Payable from restricted assets | | |
| Accounts and retainages payable | 0 | 0 |
| Customers' deposits | 0 | 0 |
| Due to other funds | 0 | 0 |
| Accrued interest payable | 0 | 0 |
| Grant anticipation notes payable | 0 | 0 |
| Capital leases payable | 0 | 0 |
| Water revenue bonds payable | 0 | 0 |
| Installment purchases | 0 | 0 |
| TOTAL LIABILITIES | <u>107,205</u> | <u>44,834</u> |
| Equity and Other Credits | | |
| Investment in general fixed assets | 0 | 0 |
| Contributed capital | 0 | 0 |
| Retained earnings | | |
| Reserved | 0 | 0 |
| Unreserved | 0 | 0 |
| Fund Balance | | |
| Reserved | 45,986 | 63,711 |
| Unreserved | | |
| Designated | 0 | 0 |
| Undesignated | 680,510 | 489,260 |
| TOTAL EQUITY | <u>726,496</u> | <u>552,971</u> |
| TOTAL EQUITY AND OTHER CREDITS | <u>726,496</u> | <u>552,971</u> |
| TOTAL LIABILITIES, EQUITY AND OTHER CREDITS | \$ <u>833,701</u> | \$ <u>597,805</u> |

The accompanying notes are an integral part of this statement.

| PROPRIETARY FUND TYPE | FIDUCIARY FUND TYPE | ACCOUNT GROUPS | | | TOTAL (MEMORANDUM ONLY) |
|--------------------------|------------------------|---------------------|------------------|----------------------------|-------------------------------|
| | | ENTERPRISE FUNDS | AGENCY | GENERAL FIXED ASSETS | |
| \$ 219,442 | \$ 7,736 | \$ 0 | \$ 0 | | 1,242,247 |
| 243,827 | 0 | 0 | 0 | | 516,322 |
| 34,768 | 0 | 0 | 0 | | 110,556 |
| 46,125 | 0 | 0 | 0 | | 46,125 |
| 50,857 | 0 | 0 | 0 | | 119,011 |
| 1,808,483 | 0 | 0 | 0 | | 1,808,483 |
| 586,014 | 0 | 0 | 0 | | 586,014 |
| 17,107,822 | 0 | 3,604,690 | 0 | | 20,712,512 |
| 50,020 | 0 | 0 | 0 | | 50,020 |
| 0 | 0 | 0 | 43,167 | | 43,167 |
| <u>\$ 20,147,358</u> | <u>\$ 7,736</u> | <u>\$ 3,604,690</u> | <u>\$ 43,167</u> | | <u>\$ 25,234,457</u> |
| \$ 97,406 | \$ 0 | \$ 0 | \$ 0 | | 138,557 |
| 2,499 | 0 | 0 | 0 | | 14,923 |
| 21,757 | 0 | 0 | 0 | | 100,926 |
| 0 | 0 | 0 | 0 | | 19,295 |
| 0 | 7,736 | 0 | 0 | | 7,736 |
| 131,707 | 0 | 0 | 0 | | 131,707 |
| 85,755 | 0 | 0 | 0 | | 85,755 |
| 9,630 | 0 | 0 | 0 | | 9,630 |
| 10,910 | 0 | 0 | 0 | | 10,910 |
| 712,500 | 0 | 0 | 0 | | 712,500 |
| 14,433 | 0 | 0 | 30,073 | | 44,506 |
| 9,225,000 | 0 | 0 | 0 | | 9,225,000 |
| 0 | 0 | 0 | 13,094 | | 13,094 |
| <u>10,311,597</u> | <u>7,736</u> | <u>0</u> | <u>43,167</u> | | <u>10,514,539</u> |
| 0 | 0 | 3,604,690 | 0 | | 3,604,690 |
| 8,921,704 | 0 | 0 | 0 | | 8,921,704 |
| 212,738 | 0 | 0 | 0 | | 212,738 |
| 701,319 | 0 | 0 | 0 | | 701,319 |
| 0 | 0 | 0 | 0 | | 109,697 |
| 0 | 0 | 0 | 0 | | 0 |
| 0 | 0 | 0 | 0 | | 1,169,770 |
| <u>9,835,761</u> | <u>0</u> | <u>0</u> | <u>0</u> | | <u>11,115,228</u> |
| <u>9,835,761</u> | <u>0</u> | <u>3,604,690</u> | <u>0</u> | | <u>14,719,918</u> |
| <u>\$ 20,147,358</u> | <u>\$ 7,736</u> | <u>\$ 3,604,690</u> | <u>\$ 43,167</u> | | <u>\$ 25,234,457</u> |

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TOWN OF GRAND ISLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

| | <u>GOVERNMENTAL FUND TYPES</u> | | <u>TOTAL (MEMORANDUM ONLY)</u> |
|---|--------------------------------|----------------------------|--|
| | <u>GENERAL</u> | <u>SPECIAL REVENUE</u> | |
| REVENUES | | | |
| Taxes | \$ 572,066 | \$ 24,986 | \$ 597,052 |
| Licenses and permits | 89,754 | 0 | 89,754 |
| Intergovernmental | 73,372 | 222,813 | 296,185 |
| Gaming fees and commissions | 316,893 | 0 | 316,893 |
| Fines and forfeitures | 116,070 | 2,499 | 118,569 |
| Charges for services | 283,075 | 82,076 | 365,151 |
| Miscellaneous | 100,968 | 31,982 | 132,950 |
| TOTAL REVENUES | <u>1,552,198</u> | <u>364,356</u> | <u>1,916,554</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | 487,413 | 0 | 487,413 |
| Public Safety | 410,330 | 0 | 410,330 |
| Public works | 489,770 | 80,476 | 570,246 |
| Health and welfare | 0 | 75,055 | 75,055 |
| Culture, recreation and tourism | 33,753 | 323,669 | 357,422 |
| TOTAL EXPENDITURES | <u>1,421,266</u> | <u>479,200</u> | <u>1,900,466</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 130,932 | (114,844) | 16,088 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 0 | 13,096 | 13,096 |
| Operating transfers out | (13,096) | 0 | (13,096) |
| Proceeds from loans | 13,094 | 0 | 13,094 |
| Proceeds from capital leases | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(2)</u> | <u>13,096</u> | <u>13,094</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 130,930 | (101,748) | 29,182 |
| FUND BALANCES | | | |
| Beginning of year | 595,566 | 654,719 | 1,250,285 |
| End of year | \$ <u>726,496</u> | \$ <u>552,971</u> | \$ <u>1,279,467</u> |

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ACTUAL AND BUDGET -
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>GENERAL FUND</u> | | |
|---|---------------------|-------------------|---|
| | <u>ACTUAL.</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| REVENUES | | | |
| Taxes | \$ 572,066 | \$ 584,500 | \$ (12,434) |
| Licenses and permits | 89,754 | 94,200 | (4,446) |
| Intergovernmental | 73,372 | 87,500 | (14,128) |
| Gaming fees and commissions | 316,893 | 305,000 | 11,893 |
| Fines and forfeitures | 116,070 | 128,700 | (12,630) |
| Charges for services | 283,075 | 270,000 | 13,075 |
| Miscellaneous | 100,968 | 91,900 | 9,068 |
| TOTAL REVENUES | <u>1,552,198</u> | <u>1,561,800</u> | <u>(9,602)</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | 487,413 | 539,900 | 52,487 |
| Public Safety | 410,330 | 417,000 | 6,670 |
| Public works | 489,770 | 542,450 | 52,680 |
| Health and welfare | 0 | 0 | 0 |
| Culture, recreation and tourism | 33,753 | 33,000 | (753) |
| TOTAL EXPENDITURES | <u>1,421,266</u> | <u>1,532,350</u> | <u>111,084</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>130,932</u> | <u>29,450</u> | <u>101,482</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 0 | 0 | 0 |
| Operating transfers out | (13,096) | (22,800) | 9,704 |
| Proceeds from loans | 13,094 | 0 | 13,094 |
| Proceeds from capital leases | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(2)</u> | <u>(22,800)</u> | <u>22,798</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 130,930 | 6,650 | 124,280 |
| FUND BALANCES | | | |
| Beginning of year | 595,566 | 595,566 | 0 |
| End of year | <u>\$ 726,496</u> | <u>\$ 602,216</u> | <u>\$ 124,280</u> |

The accompanying notes are an integral part of this statement.

| SPECIAL REVENUE FUNDS | | | TOTALS (MEMORANDUM ONLY) | | |
|-----------------------|-------------------|--|--------------------------|---------------------|--|
| ACTUAL | BUDGET | VARIANCE FAVORABLE (UNFAVORABLE) | ACTUAL | BUDGET | VARIANCE FAVORABLE (UNFAVORABLE) |
| \$ 24,986 | \$ 20,000 | \$ 4,986 | \$ 597,052 | \$ 604,500 | \$ (7,448) |
| 0 | 0 | 0 | 89,754 | 94,200 | (4,446) |
| 222,813 | 260,400 | (37,587) | 296,185 | 347,900 | (51,715) |
| 0 | 0 | 0 | 316,893 | 305,000 | 11,893 |
| 2,499 | 0 | 2,499 | 118,569 | 128,700 | (10,131) |
| 82,076 | 86,000 | (3,924) | 365,151 | 356,000 | 9,151 |
| 31,982 | 31,000 | 982 | 132,950 | 122,900 | 10,050 |
| <u>364,356</u> | <u>397,400</u> | <u>(33,044)</u> | <u>1,916,554</u> | <u>1,959,200</u> | <u>(42,646)</u> |
| 0 | 0 | 0 | 487,413 | 539,900 | 52,487 |
| 0 | 0 | 0 | 410,330 | 417,000 | 6,670 |
| 80,476 | 42,800 | (37,676) | 570,246 | 585,250 | 15,004 |
| 75,055 | 87,800 | 12,745 | 75,055 | 87,800 | 12,745 |
| 323,669 | 332,195 | 8,526 | 357,422 | 365,195 | 7,773 |
| <u>479,200</u> | <u>462,795</u> | <u>(16,405)</u> | <u>1,900,466</u> | <u>1,995,145</u> | <u>94,679</u> |
| <u>(114,844)</u> | <u>(65,395)</u> | <u>(49,449)</u> | <u>16,088</u> | <u>(35,945)</u> | <u>52,033</u> |
| 13,096 | 22,800 | (9,704) | 13,096 | 22,800 | (9,704) |
| 0 | 0 | 0 | (13,096) | (22,800) | 9,704 |
| 0 | 0 | 0 | 13,094 | 0 | 13,094 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>13,096</u> | <u>22,800</u> | <u>(9,704)</u> | <u>13,094</u> | <u>0</u> | <u>13,094</u> |
| (101,748) | (42,595) | (59,153) | 29,182 | (35,945) | 65,127 |
| 654,719 | 654,719 | 0 | 1,250,285 | 1,250,285 | 0 |
| <u>\$ 552,971</u> | <u>\$ 612,124</u> | <u>\$ (59,153)</u> | <u>\$ 1,279,467</u> | <u>\$ 1,214,340</u> | <u>\$ 65,127</u> |

TOWN OF GRAND ISLE, LOUISIANA

**ENTERPRISE FUNDS
COMBINED SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>ACTUAL</u> |
|---|-------------------|
| OPERATING REVENUES | |
| Water sales | \$ 948,861 |
| Gas sales | 194,575 |
| Service charges | 2,490 |
| Installation charges | 10,558 |
| Delinquent penalties | 23,274 |
| Miscellaneous | 36 |
| Total Operating Revenues | <u>1,179,794</u> |
| OPERATING EXPENSES | |
| Personal services | 202,561 |
| Contracted services | 340,029 |
| Materials and supplies | 30,347 |
| General and administrative | 285,689 |
| Depreciation and amortization | 255,668 |
| Depreciation on contributed assets | 226,133 |
| Total Operating Expenses | <u>1,340,427</u> |
| OPERATING INCOME (LOSS) | <u>(160,633)</u> |
| NON-OPERATING REVENUES (EXPENSES) | |
| Interest income | 54,083 |
| Interest expense | (439,439) |
| Amortization of bond issuance costs | (1,294) |
| Ad valorem taxes | 97,880 |
| Intergovernmental | |
| State - Community Development - hydrant grant | 0 |
| State - DOTD highway maintenance | 12,756 |
| Total Non-Operating Revenues (Expenses) | <u>(276,014)</u> |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | <u>(436,647)</u> |
| OPERATING TRANSFERS IN | 0 |
| OPERATING TRANSFERS OUT | 0 |
| NET INCOME (LOSS) | <u>(436,647)</u> |
| Add Back: Depreciation on contributed assets | 226,133 |
| RETAINED EARNINGS | |
| Beginning of Year | 1,124,571 |
| End of Year | <u>\$ 914,057</u> |

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINED STATEMENT OF CASH FLOWS
 WATERWORKS AND GAS UTILITIES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

| | |
|---|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Operating loss | \$ <u>(160,633)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | |
| Depreciation and amortization | 255,668 |
| Depreciation on contributed assets | 226,133 |
| (Increase) decrease in assets: | |
| Accounts receivable | (62,523) |
| Due from other funds | (3,128) |
| Inventory | (5,025) |
| Prepays | (22,406) |
| Increase (decrease) in liabilities: | |
| Accounts payable | 23,556 |
| Accrued salaries | 717 |
| Due to other funds | 9,129 |
| Customer deposits | 103 |
| Net adjustments | <u>422,224</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>261,591</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Ad valorem taxes | 97,880 |
| Receipts under DOTD maintenance contract | 12,756 |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>110,636</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Receipts under State Capital Outlay program (project no. 50-MB1-97B-1) | 0 |
| Proceeds from Grant Anticipation Notes | 712,500 |
| Interest refund on Revenue Bond Anticipation Notes | 69,861 |
| Interest paid on Water Revenue Bonds, Series 2000 | (438,188) |
| Payments on construction of water pipeline | (1,084,062) |
| Payments to vendors for construction of Parish portion of pipeline | (130,025) |
| Principal paid on capital lease for equipment | (6,808) |
| Interest paid on capital lease for equipment | (1,251) |
| Purchases of property and equipment | (51,396) |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(929,369)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest received | <u>54,083</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (503,059) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 2,530,984 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 2,027,925</u> |
| BREAKDOWN OF CASH AND CASH EQUIVALENTS PER BALANCE SHEET | |
| Current Assets | |
| Cash and cash equivalents | \$ 219,442 |
| Restricted Assets | |
| Cash and cash equivalents | 1,808,483 |
| | <u>\$ 2,027,925</u> |

The accompanying notes are an integral part of this statement.

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TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the TOWN OF GRAND ISLE, LOUISIANA (the "Town") 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 Town's significant accounting policies are described below.

1. Reporting Entity

Under GASB's Codification of Governmental Accounting and Financial Reporting Standards Section 2100, the financial reporting entity consists of the primary government (the "Town") and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing body, and 1) the ability of the primary government to impose its will on that organization, or 2) whether the potential exists for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. Additionally, a component unit can be an organization for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the Town's reporting entity as blended component units because of the significance of their operational or financial relationships with the Town.

Playground Town No. 16 of Jefferson Parish

The above noted District is a legally separate entity from the Town and is funded primarily by taxes and fees levied by the Parish of Jefferson, however, under agreement with the Parish, the entity is governed by the same elected officials that govern the Town. For financial reporting purposes, these entity is reported as if it were part of the Town's operations.

2. Description of Activities

The Town was incorporated on June 15, 1959, under the provisions of the Lawrason Act (LRS 33:321 - 481). The Town is governed by a Mayor-Board of Alderman form of government. Services provided by the Town include general government activities, public works, public safety, health and welfare and culture and recreation programs. The Town also provides waterworks and gas utilities.

3. Fund Accounting

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The Town's fund types have been 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 the Town's general activities, including the collection and disbursement of earmarked monies (special revenue funds), and the acquisition or construction of general fixed assets (capital project funds). The general fund is used to account for all activities of the town 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. Goods or services from such activities are typically provided 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. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent, such as protested taxes or donated emergency relief funds.

4. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. *Operating statement of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.*

The proprietary fund type is accounted for on a flow of economic resources management focus. With this measurement focus, all assets and liabilities associated with the operation of this fund type are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into a retained earnings component. Proprietary fund type operating statement represent increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, it is the policy of the Town's proprietary funds to apply all applicable GASB pronouncements, as well as all Financial Accounting Standards Board (FASB) statements, interpretations, accounting principles board opinions and accounting research bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes and sale taxes are considered available if they are collected within 60 days after year end. A one year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due.

Those revenues susceptible to accrual are property taxes, sales taxes, franchise taxes, interest revenue, charges for services, and intergovernmental revenues, such as grants and/or taxes collected by intermediary governments. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

The Town may also report deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable and available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability of deferred revenue is removed from the combined balance sheet and revenue is recognized.

5. Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year for the General, Special Revenue Funds, and the Proprietary Funds.

Expenditures may not exceed budgeted appropriations at the division or department level. Expenditures may not exceed appropriations until additional appropriations have been provided. All annual appropriations which are not expended nor encumbered lapse at year end.

Budgets are adopted for the General, Special Revenue, and Proprietary Funds on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons presented in the accompanying financial statements are on this GAAP basis.

6. Encumbrances

Encumbrance accounting is not utilized by the Town.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Cash and Investments

Cash and cash equivalents shown on the face of the Combined Balance Sheet include amounts in demand deposits, petty cash, certificates of deposit with maturities of less than 90 days, and shares in the Louisiana Asset Management Pool (LAMP).

In accordance with GASB Statement No. 31, investments are generally stated at fair value, unless the Town invests in "money market" securities which have a maturity date of less than 90 days at the balance sheet date. If the investments mature within 90 days, they are stated at cost or amortized cost. Louisiana Revised Statutes (LSA-RS 33:2955) authorize the Town to invest in (1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government, (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, (3) direct security repurchase agreements of any federal book entry only securities, (4) time certificates of deposits of state banks organized under the laws of Louisiana and national banks having their principal offices in the state of Louisiana, savings accounts or shares of savings and loan associations, (5) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies, or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

For the purposes of the statement of cash flows, the Proprietary Fund considers its investment in LAMP and all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents.

8. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivable and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables".

9. Inventories

The cost of material and supplies acquired by governmental funds are recorded as expenditures at the time of purchase. The inventory of such materials and supplies at June 30, 2001 would not be material to the financial statements. The inventory of the Proprietary Fund is stated at the lower of cost or market, determined by a first-in, first-out method.

10. Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2001 are recorded as prepaid items. Prepaid insurance represents the majority of this balance.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Unamortized Bond Issuance Costs

Bond issuance costs relating to the Revenue Bonds are deferred and will be amortized/expensed over the life of the bonds. Amortization will occur over the next 40 years.

12. Restricted Assets

Funds on hand which represent "customer meter deposits" are classified as restricted assets on the balance sheet of the enterprise fund since these funds may only be used for the payment of any outstanding water bills when customers discontinue service. Special accounts set up in accordance with the bond Anticipation Notes and the Water Revenue Bonds, Series 2000 bond indenture are also classified as restricted assets on the balance sheet. These accounts include a "construction account", a "debt service - sinking fund", a "debt service - reserve fund", and a "reserve for depreciation and contingencies fund".

13. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed asset account group. All purchased fixed assets are valued at cost, where historical records are available, and at estimated historical costs where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, rock jetties, drainage and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed asset account group are not depreciated. Depreciation of buildings, equipment and vehicles in the Proprietary Fund type is computed using the straight-line method. Depreciation expense applicable to those fixed assets acquired through capital contributions is closed out to the related contributed capital accounts rather than retained earnings. It is considered preferable under the matching concept, as receipts of these fixed assets have been recorded as additions to contributed capital.

14. Compensated Absences

In both the governmental and proprietary fund types, annual and sick leave are expensed when claimed by the employee rather than when earned. In the opinion of management, the liability due at June 30, 2001 would not be material to the financial statements.

15. Long-term Obligations

For long-term obligations, only that portion expected to be financed from expendable 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.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. Fund Equity

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. Contributed capital is recorded in the Proprietary Fund for amounts received on capital grants or contributions from developers, customers or other funds.

17. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transaction that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimburses. 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.

18. Total Columns on Combined Statements

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial positions, results of operations or changes in cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET

In accordance with the Louisiana Local Government Budget Act (LSA-RS 39:1301), the procedures used by the Town in establishing the budgetary data reflected in the financial statements are as follows:

- a. Not less than 30 days before the end of the fiscal year, the Mayor recommends to the Board of Aldermen a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is summarized and advertised and the public notified that the proposed budget is available for inspection and that within 10 days thereafter public hearings are conducted to obtain taxpayer comments.
- c. The budget is then legally enacted by passage of an ordinance by the Board of Aldermen.
- d. Any revisions that alter the total expenditures of a department must be approved by the Board of Aldermen. Changes to specific line-items within the departments must also be approved by the Board.

Budgeted amounts presented in the financial statements are as originally adopted or as finally amended by the Board of Aldermen by Ordinance No. 747.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds had expenditures on a budgetary basis in excess of appropriations for the fiscal year ended June 30, 2001:

| | Expenditures | Budget | Excess |
|------------------------------|--------------|-----------|----------|
| General Fund | | | |
| Tourism Department | \$ 33,753 | \$ 33,000 | \$ (753) |
| Special Revenue Funds | | | |
| Recreation Fund | 10,270 | 0 | (10,270) |
| Riverboat Gambling Fees | 39,616 | 0 | (39,616) |

Expenditures exceeded appropriations in the for the following reasons: Tthe Tourism Department exceeded expenditures in the advertising and travel line-items. The Recreation Fund incurred some unanticipated rental expenditures as well as repairs and maintenance costs. The Riverboat Gambling Fees Fund purchased a tractor near year end. All of the excesses noted above were absorbed by available fund balances/retained earnings.

NOTE C - DEPOSITS AND INVESTMENTS

At June 30, 2001, the carrying amount of the Town's deposits was \$1,935,249 and the bank balance was \$2,016,473. The bank balance is categorized as follows:

| Category | Bank Balance |
|--|----------------------------|
| Amount insured by FDIC, or collateralized with securities held by the Town's agent in the Town's name | \$ 2,016,473 |
| Amount collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name | 0 |
| Uncollateralized (includes balance that is collateralized with securities held by the pledging financial institution but not in the Town's name) | 0 |
| Total Bank Balance | <u>\$ 2,016,473</u> |

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

Under GASB Statement No. 3, the Town's investments at year end are to be categorized to give an indication of the level of risk assumed by the Town 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 or 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.

The Town's investments consist of shares in the Louisiana Asset Management Pool (LAMP). Because of the liquidity of the pool, the investments are shown on the balance sheet as cash equivalents. The balance as of June 30, 2001 for all funds is \$1,115,481. Because this investment is not evidenced by securities that exist in physical or book entry form, it is not categorized.

NOTE D - RECEIVABLES

Receivables at June 30, 2001 consist of the following:

| | General | Special Revenue | Enterprise | Total |
|--|-------------------|--------------------|-------------------|-------------------|
| Receivables: | | | | |
| Accounts | | | | |
| Utilities | \$ 0 | \$ 0 | \$ 236,217 | \$ 236,217 |
| Grass liens | 0 | 23,800 | 0 | 23,800 |
| Property taxes | 0 | 0 | 0 | 0 |
| Franchise taxes | 20,449 | 0 | 0 | 20,449 |
| Intergovernmental | | | | |
| Sales taxes | 88,601 | 6,121 | 0 | 94,722 |
| Licenses and permits | 5,240 | 0 | 0 | 5,240 |
| Beer taxes | 3,685 | 0 | 0 | 3,685 |
| Tobacco taxes | 0 | 0 | 0 | 0 |
| Tourism - Act 18 | 3,436 | 0 | 0 | 3,436 |
| Gaming fees and commissions | 20,081 | 0 | 0 | 20,081 |
| DOTD - highway maintenance | 0 | 0 | 6,378 | 6,378 |
| LCLE - grants | 0 | 0 | 0 | 0 |
| Playground Town No. 16 | 0 | 91,456 | 0 | 91,456 |
| Parish Transportation Funds | 6,350 | 0 | 0 | 6,350 |
| Due from State Capita Outlay | 0 | 0 | 0 | 0 |
| Due from Louisiana Facilities Planning | 0 | 0 | 0 | 0 |
| Due from Interim Emergency Board | 0 | 0 | 0 | 0 |
| Other | 3,276 | 0 | 2,232 | 5,508 |
| Subtotal | 151,118 | 121,377 | 244,827 | 517,322 |
| Less allowance for uncollectibles | 0 | 0 | (1,000) | (1,000) |
| Net receivables | \$ 151,118 | \$ 121,377 | \$ 243,827 | \$ 516,322 |

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE D - RECEIVABLES (CONTINUED)

The Town generally considers all receivables to be collectible, however, in the Enterprise Fund, an allowance for uncollectibles of approximately 1 percent (\$1,000) of the utility bills receivable has been recorded.

Included within the accounts receivable of the Waterworks and Gas Utilities Enterprise Funds is \$55,795 (\$48,463 for water and \$7,332 for gas) of unbilled receivables. This amount represents approximately one-half of the July 31, 2001 water and gas bills which are for the actual usage of water and gas in the last half of June 2001.

The \$586,014 balance in the Due from other governments account in the Waterworks Utility Enterprise Fund - Restricted Assets is made up \$252,309 due from the State Capital Outlay Program for construction of the waterline project - phase 1, 2, & 3 and \$333,705 due from the State Capital Outlay Program for construction of the waterline transmission project - phase 4.

Also included above is \$91,456 due for Playground District No. 16. This amount represents the balance of parish dedicated ad valorem taxes collected by the Parish on the Town's behalf under a local cooperative agreement.

NOTE E - RESTRICTED ASSETS

The balances of the Waterworks Utility Enterprise Fund's restricted asset accounts are as follows:

| <u>Restricted Asset Account</u> | |
|--|---------------------|
| Water Pipeline Construction Fund | \$ 1,500,359 |
| Water Pipeline Debt Service - Sinking Fund | 152,706 |
| Water Pipeline Debt Service - Reserve Fund | 29,813 |
| Water Pipeline - Reserve for Depreciaton and Contingencies | 30,219 |
| Water Meter Deposit Fund | 95,386 |
| Total | <u>\$ 1,808,483</u> |

NOTE F - FIXED ASSETS

The following is a summary of changes in the general fixed asset account group during the fiscal year:

| Asset Category | Balance at Beginning of year | Additions | Deletions | Balance at End of Year |
|----------------------------|---------------------------------|-------------------|---------------------|---------------------------|
| Land and improvements | \$ 286,228 | \$ 96,602 | \$ 0 | \$ 382,830 |
| Buildings and improvements | 1,601,817 | 1,695 | 0 | 1,603,512 |
| Furniture and equipment | 423,050 | 12,439 | 0 | 435,489 |
| Heavy equipment | 1,042,902 | 116,650 | (95,547) | 1,064,005 |
| Vehicles | 220,306 | 21,641 | (123,093) | 118,854 |
| Total | <u>\$ 3,574,303</u> | <u>\$ 249,027</u> | <u>\$ (218,640)</u> | <u>\$ 3,604,690</u> |

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

NOTE E - FIXED ASSETS (CONTINUED)

Below is a summary of the sources of fixed assets:

| Source of Funding | Amount |
|---|---------------------|
| Investment from: | |
| General Fund | \$ 965,077 |
| Drainage District No. 1 | 559,845 |
| Recreation Fund | 193,561 |
| Community Center and Playground District No. 16 | 864,801 |
| Mosquito Control Fund | 8,911 |
| Capital Projects Fund | 6,500 |
| Other - Federal Revenue Sharing | 131,713 |
| Other - Federal Grants | 35,523 |
| Other - Parish Grants | 708,107 |
| Other - Unknown | 130,652 |
| TOTAL | \$ 3,604,690 |

The following is a summary of proprietary fund property, plant and equipment at June 30, 2001:

| Asset Type | Waterworks Utility | Gas Utility | Amount |
|---|----------------------|-------------------|----------------------|
| Land | \$ 17,051 | \$ 0 | \$ 17,051 |
| Buildings and improvements | 285,145 | 0 | 285,145 |
| Furniture and fixtures | 99,278 | 0 | 99,278 |
| Vehicles and heavy equipment | 236,047 | 4,186 | 240,233 |
| Utility distribution systems and lines | | | |
| Water transmission system | 16,156,028 | 0 | 16,156,028 |
| Water distribution system | 597,173 | 0 | 597,173 |
| Water tank | 1,005,000 | 0 | 1,005,000 |
| Water meters | 145,488 | 0 | 145,488 |
| Gas distribution system | 0 | 436,068 | 436,068 |
| Deltide 6" gas line | 0 | 12,660 | 12,660 |
| Gas meters | 0 | 63,351 | 63,351 |
| Lec Street extension | 79,722 | 0 | 79,722 |
| Construction in Progress - Waterline Phase IV | 471,273 | 0 | 471,273 |
| | 19,092,205 | 516,265 | 19,608,470 |
| Less: accumulated depreciation | (2,171,873) | (328,775) | (2,500,648) |
| Net Property, Plant, and Equipment | \$ 16,920,332 | \$ 187,490 | \$ 17,107,822 |

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE F - FIXED ASSETS (CONTINUED)

Useful lives used for computing depreciation are as follows:

| Description | Life in Years |
|--|---------------|
| Buildings and improvements | 20-50 |
| Furniture and fixtures | 5-10 |
| Vehicles and heavy equipment | 5-10 |
| Utility distribution systems and lines | 10-50 |

The construction in progress of \$471,273 relates to Phase IV of the Lafitte to Grand Isle Waterline Project. The total estimated cost of this project is approximately \$1,335,900. The Town has obtained \$750,000 in financing from the 00/01 State Capital Outlay Program (Priority 5 of Act No. 21) to help pay for Phase IV of the waterline (Project No. 50-MB1-97B-1). Interim construction financing of \$712,500 has been provided by Grant Anticipation Notes issued through Bank One (See Note F). The Town is using the remaining balance of the Water Revenue Bonds, Series 2000 to match the State Funds.

NOTE G - LONG-TERM DEBT

1. Capital Leases

The Town has entered into lease agreements as lessee for financing the acquisition of a garbage truck, a trash truck and a ditch witch trencher. These lease agreements qualify as capital leases for accounting purposes (bargain purchase options) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of June 30, 2001:

| | General Fixed Assets Account Group | Waterworks & Gas Utilities Enterprise Fund |
|----------------------------------|---------------------------------------|--|
| Trash Truck | \$ 61,820 | \$ 0 |
| Ditch Witch Trencher and trailer | 0 | 34,009 |
| Total | \$ 61,820 | \$ 34,009 |

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE G - LONG-TERM DEBT (CONTINUED)

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2001.

| <u>Fiscal Year Ending June 30,</u> | <u>General Long-term Debt</u> | <u>Waterworks & Gas Utilities Enterprise Fund</u> |
|--|-----------------------------------|---|
| 2002 | \$ 14,304 | \$ 8,060 |
| 2003 | 14,304 | 7,388 |
| 2004 | 3,576 | 0 |
| Total minimum lease payments | 32,184 | 15,448 |
| Less: amount representing interest | (2,111) | (1,015) |
| Present value of future minimum lease payments | <u>\$ 30,073</u> | <u>\$ 14,433</u> |

2. Installment Purchases

The Town purchased two police cars in 1999 through the Jefferson Parish Sheriff's Office. The Town reimbursed the Sheriff's Office for the cars on an installment basis. During the fiscal year ended June 30, 2001, the Town made the final payment of \$6,603 on this purchase.

In May 2001, the Town purchased an additional police car through the Jefferson Parish Sheriff's Office. The Town will pay for the vehicle in three installments of \$6,547. The balance at June 30, 2001 was \$13,094.

3. Changes in General Long-Term Liabilities

The following is a summary of the changes in general long-term obligations for the fiscal year ended June 30, 2001:

| <u>Type of Debt</u> | <u>Balance, July 1, 2000</u> | <u>Additions (Reductions)</u> | <u>Balance, June 30, 2001</u> |
|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|
| Capital leases | \$ 42,215 | \$ (12,142) | \$ 30,073 |
| Installment purchases | 6,603 | 6,491 | 13,094 |
| Totals | <u>\$ 48,818</u> | <u>\$ (5,651)</u> | <u>\$ 43,167</u> |

4. Grant Anticipation Notes (GAN's)

As noted in Note E, the Town is continuing construction of the waterline distribution system (currently Phase IV) at a cost of approximately \$1,335,900. An appropriation from the 00/01 State Capital Outlay Program was obtained in Priority 5 for \$750,000. On March 15, 2001, interim financing was obtained through Bank One by issuing Grant Anticipation Notes (GAN's), Series 2001 of \$712,500. These GAN's are to be paid off upon receipt of the State Capital Outlay money or by March 15, 2002, whichever is sooner. The GAN's carry an interest rate of 5.25 percent. At June 30, 2001, \$10,910 of interest payable has been accrued in the Waterworks Utility Enterprise Fund.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE G - LONG-TERM DEBT (CONTINUED)

5. Water Revenue Bonds, Series 2000

The Waterworks Utilities Enterprise Fund issued Water Revenue Bonds, Series 2000 on February 25, 2000, totaling \$9,225,000, with an interest rate of 4.75% per annum. The proceeds of the revenue bonds were used to pay off the 2000 Bond Anticipation Notes issued by the Louisiana Facilities Planning Department. The Water Revenue Bonds are secured and payable solely by a pledge of hte income and revenues of the Waterworks Utility Ssystem after provision has been made for payment of reasonable and necessary costs and expenses of operating and maintaining the system. The first annual payment of \$438,188, representing interest only, was made on February 25, 2001. The second payment also represents interest only and is due on February 21, 2002. Beginning in March 25, 2002, and continuing through February 25, 2040, monthly payments of \$43,819, representing principal and interest, are due.

Revenue bond debt service requirements to maturity, including interest of \$11,194,687, are as follows:

| Year Ending June 30, | Amount |
|----------------------|----------------------|
| 2002 | \$ 438,188 |
| 2003 | 525,825 |
| 2004 | 525,825 |
| 2005 | 525,825 |
| 2006 | 525,825 |
| Thereafter | 17,878,050 |
| Total | <u>\$ 20,419,538</u> |

There are a number of limitations and restrictions contained in the bond indenture which the Town was in compliance with during the fiscal year ended June 30,2001.

NOTE H - CONTRIBUTED CAPITAL

The changes in the Waterworks Utility Enterprise Fund contributed capital accounts were as follows:

| | Balance June 30, 2000 | Contributions | Amortizations | Balance June 30, 2001 |
|--|--------------------------|------------------|---------------------|-----------------------------|
| Municipal Government | \$ 328,000 | \$ 0 | \$ 0 | \$ 328,000 |
| State Capital Outlay - Waterline Phase 1, 2, 3 | 4,892,900 | 45,982 | (124,883) | 4,813,999 |
| State Capital Outlay - Waterline Phase 4 | 0 | 0 | 0 | 0 |
| EPA Grant - Water Pipeline | 3,019,625 | | (76,125) | 2,943,500 |
| Federal Government | 527,625 | 0 | (25,125) | 502,500 |
| | <u>\$ 8,768,150</u> | <u>\$ 45,982</u> | <u>\$ (226,133)</u> | <u>\$ 1,532,882</u> |

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE I - RESERVATION AND DESIGNATIONS OF FUND BALANCES/RETAINED EARNINGS

The following reserves and designations of fund balance/retained earnings have been provided for in the financial statements.

1. Fund Balance - Reserved for Prepaid Items
This reserve was established as an offset against the asset, prepaid items, because it does not constitute an available, spendable resource of the fund even though it is a component of current assets.
2. Fund Balance - Reserved for Drainage Pumps
This reserve represents the balance of a construction contract to purchase and install pumps and related machinery in connection with the Grand Isle Drainage Project II - Hazard Mitigation Grant Program.
3. Fund Balance - Designated for Subsequent Year's Expenditures
This designation represents the budgeted deficiency of revenues over expenditures in the 99-00 budget.

The following reservations of the Waterworks Utility Fund's retained earnings are required by bond covenants:

1. Reserve for Debt Service - Sinking
This reserve represents the amount of money set aside to pay the next principal and/or interest due. For the first two years, the monthly transfer is \$36,516. After March 20, 2002, the monthly payment is increased to \$43,819.
2. Reserve for Debt Service - Reserve
This reserve represents the amount of money set aside to pay principal and/or interest on the Water Revenue Bonds should the Sinking Fund be unable to pay. For the first two years, the Waterworks Utility Fund is required to transfer \$1,826 per month (i.e., 5% of the Sinking Fund payments) into this fund. After March 20, 2002, the monthly transfer is increased to \$2,191. Money is to be deposited into this fund until the Reserve Requirement of \$525,825 is accumulated.
3. Reserve for Depreciation and Contingencies
This fund is established to accumulate monies to care for extensions, additions, improvements, renewals and replacements necessary to keep the system operating properly. For the first two years, the Waterworks Utility funds is to transfer \$1,826 per month into this fund. After March 20, 2002, the transfer is increased to \$2,191, until the \$525,825 is accumulated in the Reserve fund. At that time, the transfer is increased to \$4,382.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

NOTE J - TAXES

1. Sales Tax

The total sales tax levied on purchases within the Town limits during the fiscal year ended June 30, 2001 was 8 3/4 percent. Of this 8 3/4 percent, 4 percent is levied by the State, 1 1/2 percent is levied by the Jefferson Parish Public School System (a separate entity), 3 percent is levied by the Parish of Jefferson (a separate entity), and 1/4 percent is levied by the Jefferson Parish Sheriff's Office.

Of the 3 percent levied by the Parish, 1/2 percent is remitted to the Jefferson Parish Public School System and 2 1/2 percent is remitted to the Town (as in incorporated municipality). Of the 2 1/2 percent received by the Town, 1/6 percent is recognized in the Drainage District No. 1 Special Revenue Fund. The balance goes to the Town's General Fund.

The 1/4 percent levied by the Sheriff's Office is remitted directly to the Town for law enforcement purposes and is recognized in the General Fund.

2. Ad Valorem Tax

The Town levies an ad valorem tax on real property within the city limits. Ad valorem taxes are recognized in the fiscal year in which the taxes are levied. The levy is generally made as of November 15 of each year. The tax is due, and becomes an enforceable lien on the property, on the first day of the month following the filing of the tax roll by the Parish Assessor with the Louisiana Tax Commission (usually December 1). The tax is considered delinquent on March 1 in the year after the levy. The taxes are billed and collected by the Town.

Ad valorem taxes are levied based on property values determined by the Jefferson Parish Assessor's Office (a separate entity). All land and residential improvements are assessed at 10 percent of its fair market value, and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation of the Town. A homestead exemption is in effect which essentially makes the first \$2,500 of assessed value exempt from taxes. This exemption is being removed when the 2001 tax rolls are filed.

The number of mills levied on the 2000 tax rolls was 7.09 for the General Fund and 5.06 for the Waterworks and Gas Utilities fund. These funds split the 5.06 mills, with 80 percent going to the Waterworks Utility Fund and 20 percent going to the Gas Utility Fund.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

NOTE K- INTERFUND TRANSACTIONS

RECEIVABLES/PAYABLES

Individual balances due from/to other funds at June 30, 2001 are as follows:

| Fund | Interfund Receivable | Interfund Payable |
|---|----------------------|-------------------|
| General Fund | \$ 17,043 | \$ 35,068 |
| Special Revenue Funds | | |
| Drainage District No. 1 | 35,422 | 0 |
| Erosion Control Fund | 0 | 9,650 |
| Mosquito Control Fund | 639 | 495 |
| Community Center and Playground District No. 16 | 6,142 | 898 |
| Riverboat Gambling Admission Fees | 16,542 | 33,058 |
| | <u>58,745</u> | <u>44,101</u> |
| Enterprise Funds | | |
| Waterworks Utilities Fund | | |
| Unrestricted | 34,768 | 0 |
| Restricted | 0 | 9,630 |
| Gas Utilities Fund | 0 | 21,757 |
| | <u>34,768</u> | <u>31,387</u> |
| Totals | <u>\$ 110,556</u> | <u>\$ 110,556</u> |

OPERATING TRANSFERS

A summary of operating transfers by fund type for the fiscal year ended June 30, 2001 is as follows:

| Fund Type | Transfers To or From | Operating Transfers In | Operating Transfers Out |
|---|-------------------------|---------------------------|----------------------------|
| General Fund | Drainage District No. 1 | \$ 0 | \$ 13,096 |
| Special Revenue Fund Drainage District No. 1 | General Fund | 13,096 | 0 |
| | | <u>\$ 13,096</u> | <u>\$ 13,096</u> |

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE L - RISK MANAGEMENT

The Town is exposed to various risks of loss from personal injury; torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect itself from these losses, the Town purchases various types of commercial insurance. The Town pays premiums for coverage on general liability, auto, and excess liability. Coverage limits per occurrence is \$1,000,000, with an aggregate limit of \$1,000,000 on general liability claims and \$1,000,000 on excess liability claims.

The Town also carries commercial insurance for other risks of loss, including law enforcement officer's liability, public officials errors and omission, workers' compensation, employee health and accident insurance, fire damage, etc. In each policy, the Town is responsible for the applicable deductible.

Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

NOTE M - COMMITMENTS AND CONTINGENCIES

1. Commitment - Deltide 6-inch Gas Line

On August 11, 1962, the Town entered into a lease agreement with Deltide Fishing and Rental Tools, Inc. whereby Deltide leased its interest in a 6" gas line to the Town for a period of 30 years. Under the lease agreement, the Town agreed to pay Deltide \$200 per year as compensation for administrative and other expenses incurred in connection with the lease agreement. In addition, the Town agreed to reimburse *Deltide for any and all amounts which Deltide may have to pay for operation, maintenance and repair of the gas line.*

At June 30, 1996, a liability of \$49,205 was recorded in the Waterworks and Gas Utilities Enterprise Fund for the amounts due under this lease agreement through that date. During the fiscal year ended June 30, 1998, the Town made one payment of \$24,192, leaving a balance due of \$25,013. While the lease term officially expired on August 11, 1992, the Town has continued using the gas line pending the formulation of a new lease agreement and would therefore still be responsible for payments under the lease.

2. Federal Financial Assistance

The Town participates in certain federal financial assistance programs. Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal and state governments. Any disallowed costs, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2001

NOTE N - SEGMENT INFORMATION - ENTERPRISE FUNDS

The Town maintains two enterprise funds. The Waterworks Utility Fund accounts for the provision of basic water service to the Town. The Gas Utility Fund accounts for the distribution system that provides natural gas service to the Town. Selected segment information for the year ended June 30, 2001 is as follows:

| | Waterworks Utility | Gas Utility | Total |
|--|--------------------|------------------|--------------|
| Type of Service | Waterworks | Gas Distribution | |
| Operating Revenue | \$ 982,734 | \$ 197,060 | \$ 1,179,794 |
| Depreciation and Amortization | 471,272 | 10,529 | 481,801 |
| Operating Income (Loss) | (90,561) | (70,072) | (160,633) |
| Operating Grants and Agreements | 12,756 | 0 | 12,756 |
| Ad Valorem Taxes | 78,491 | 19,389 | 97,880 |
| Interest Expense | 439,439 | 0 | 439,439 |
| Operating Transfers In (Out) | 0 | 0 | 0 |
| Net Income (Loss) | (386,210) | (50,437) | (436,647) |
| Current Capital Contributions and Transfers | 45,982 | 0 | 45,982 |
| Property, Plant and Equipment | | | |
| Additions and Transfers from Construction in Progress | 521,568 | 1,101 | 522,669 |
| Net Working Capital | 491,676 | (18,319) | 473,357 |
| Total Assets | 19,918,524 | 228,834 | 20,147,358 |
| Grant Anticipation Notes Payable | 712,500 | 0 | 712,500 |
| Revenue Bonds Payable | 9,225,000 | 0 | 9,225,000 |
| Total Equity | 9,666,590 | 169,171 | 9,835,761 |

NOTE O - RETIREMENT PLAN

The Town provides a Savings Incentive Match Plan for Employees (i.e., a SIMPLE IRA Plan). The plan allows all full-time employees to make pre-tax salary deferrals of up to \$6,000 annually. The Town is required to make either a dollar-for-dollar match up to 3% of compensation or a 2% nonelective contribution to all eligible participants. The funds are held by a third-party trustee in accounts for each employee. Total contributions to the plan for the year ended June 30, 2001 totaled \$51,142 (\$35,122 employee and \$16,020 employer).

**COMBINING STATEMENTS AND INDIVIDUAL
FUND AND ACCOUNT GROUP SCHEDULES**

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GENERAL FUND

The General Fund is the principal operating fund of the Town of Grand Isle, and is used to account for the financial resources and expenditures not accounted for in any other fund.

TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
BALANCE SHEET
JUNE 30, 2001**

ASSETS

| | | |
|-----------------------------|-----------|-----------------------|
| Cash and cash equivalents | \$ | 619,554 |
| Receivables, net | | |
| Franchise taxes | | 20,449 |
| Intergovernmental | | |
| Sales tax | | 88,601 |
| Licenses and permits | | 5,240 |
| Beer tax | | 3,685 |
| Tobacco tax | | 0 |
| Tourism - Act 18 | | 3,436 |
| Gaming fees and commissions | | 20,081 |
| Grants | | 0 |
| Parish road fund | | 6,350 |
| Other | | 3,276 |
| Due from other funds | | 17,043 |
| Prepaid items | | 45,986 |
| TOTAL ASSETS | \$ | <u>833,701</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

| | | |
|--|----|--------|
| Accounts payable | \$ | 41,151 |
| Accrued salaries and related liabilities | | 11,691 |
| Due to other funds | | 35,068 |
| Appearance bond deposits | | 19,295 |
| Deferred revenue | | 0 |

TOTAL LIABILITIES 107,205

FUND BALANCE

| | | |
|--|--|---------|
| Reserved for prepaid items | | 45,986 |
| Unreserved | | |
| Designated for subsequent year's expenditure | | 0 |
| Undesignated | | 680,510 |

TOTAL FUND BALANCE 726,496

**TOTAL LIABILITIES AND
FUND BALANCE** **\$** 833,701

TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|---|-------------------|-------------------|---|
| REVENUES | | | |
| Taxes | \$ 572,066 | \$ 584,500 | (12,434) |
| Licenses and permits | 89,754 | 94,200 | (4,446) |
| Intergovernmental | 73,372 | 87,500 | (14,128) |
| Gaming fees and commissions | 316,893 | 305,000 | 11,893 |
| Fines and forfeitures | 116,070 | 128,700 | (12,630) |
| Charges for services | 283,075 | 270,000 | 13,075 |
| Miscellaneous | 100,968 | 91,900 | 9,068 |
| TOTAL REVENUES | <u>1,552,198</u> | <u>1,561,800</u> | <u>(9,602)</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | 487,413 | 539,900 | 52,487 |
| Public Safety | 410,330 | 417,000 | 6,670 |
| Public works | 489,770 | 542,450 | 52,680 |
| Culture, recreation and tourism | 33,753 | 33,000 | (753) |
| TOTAL EXPENDITURES | <u>1,421,266</u> | <u>1,532,350</u> | <u>111,084</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 130,932 | 29,450 | 101,482 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 0 | 0 | 0 |
| Operating transfers out | (13,096) | (22,800) | 9,704 |
| Proceeds from loans | 13,094 | 0 | 13,094 |
| Proceeds from capital leases | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(2)</u> | <u>(22,800)</u> | <u>22,798</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 130,930 | 6,650 | 124,280 |
| FUND BALANCES | | | |
| Beginning of year | 595,566 | 595,566 | 0 |
| Residual equity transfers | 0 | 0 | 0 |
| End of year | <u>\$ 726,496</u> | <u>\$ 602,216</u> | <u>\$ 124,280</u> |

TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
SCHEDULE OF REVENUES - ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>ACTUAL.</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|---------------------|---------------------|---|
| TAXES | | | |
| Ad valorem | \$ 137,637 | \$ 135,000 | \$ 2,637 |
| Sales | | | |
| General | 322,294 | 340,000 | (17,706) |
| Law enforcement | 28,730 | 33,000 | (4,270) |
| Hotel/motel | 9,148 | 7,000 | 2,148 |
| Franchise tax | | | |
| Entergy | 58,464 | 57,000 | 1,464 |
| Callais Cable | 15,793 | 12,500 | 3,293 |
| Total | <u>572,066</u> | <u>584,500</u> | <u>(12,434)</u> |
| LICENSES AND PERMITS | | | |
| Business | | | |
| Occupational and insurance premium tax | 66,287 | 71,000 | (4,713) |
| Liquor and beer | 5,630 | 6,200 | (570) |
| Non-business | | | |
| Building | 16,062 | 16,000 | 62 |
| Zoning and adjustments | 1,775 | 1,000 | 775 |
| Total | <u>89,754</u> | <u>94,200</u> | <u>(4,446)</u> |
| INTERGOVERNMENTAL | | | |
| Federal | | | |
| FEMA - Hurricane Georges/Frances | 0 | 0 | 0 |
| Local Law Enforcement Block Grants | 7,830 | 12,000 | (4,170) |
| Governor's Safe & Drug Free School Grant | 0 | 0 | 0 |
| State | | | |
| Tobacco tax | 0 | 7,500 | (7,500) |
| Beer tax | 7,105 | 9,000 | (1,895) |
| Parish road fund | 50,000 | 50,000 | 0 |
| Tourism funds | 8,437 | 9,000 | (563) |
| LCLE/CJCC grants | 0 | 0 | 0 |
| FEMA - Hurricane Georges/Frances - Admin Share | 0 | 0 | 0 |
| DARE | 0 | 0 | 0 |
| Total | <u>73,372</u> | <u>87,500</u> | <u>(14,128)</u> |
| GAMING FEES AND COMMISSIONS | | | |
| Riverboat admission fees | 282,024 | 280,000 | 2,024 |
| Video poker allocation | 34,869 | 25,000 | 9,869 |
| Total | <u>316,893</u> | <u>305,000</u> | <u>11,893</u> |
| FINES AND FORFEITURES | | | |
| Fines and court costs | 115,158 | 128,000 | (12,842) |
| Bond fees | 912 | 700 | 212 |
| Total | <u>116,070</u> | <u>128,700</u> | <u>(12,630)</u> |
| CHARGES FOR SERVICES | | | |
| Sanitation | 281,985 | 268,000 | 13,985 |
| Tax research and notices | 1,090 | 2,000 | (910) |
| Total | <u>283,075</u> | <u>270,000</u> | <u>13,075</u> |
| MISCELLANEOUS | | | |
| Interest income | 29,361 | 31,000 | (1,639) |
| Interdepartmental administration fee | 50,400 | 50,400 | 0 |
| 10% tax collection charge | 10,194 | 8,000 | 2,194 |
| Donations - Tourism | 0 | 0 | 0 |
| Donations - 4 wheelers | 0 | 0 | 0 |
| Website listing and links | 350 | 0 | 350 |
| Tourism Booth Fee | 1,225 | 0 | 1,225 |
| Other | 9,438 | 2,500 | 6,938 |
| Total | <u>100,968</u> | <u>91,900</u> | <u>8,718</u> |
| TOTAL REVENUES | <u>\$ 1,552,198</u> | <u>\$ 1,561,800</u> | <u>\$ (9,952)</u> |

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT -
 ACTUAL AND BUDGET - GENERAL GOVERNMENT FUNCTION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

| | ACTUAL | BUDGET | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|-------------------|-------------------|--|
| GENERAL AND ADMINISTRATIVE | | | |
| Office salaries | \$ 76,405 | \$ 87,850 | \$ 11,445 |
| Payroll taxes | 44,888 | 46,000 | 1,112 |
| Unemployment tax | (676) | 500 | 1,176 |
| Insurance - hospitalization | 55,006 | 57,000 | 1,994 |
| Insurance - workmen's compensation | 36,507 | 38,000 | 1,493 |
| Retirement - employer contributions | 16,020 | 17,500 | 1,480 |
| Aldermen - per diems | 26,185 | 25,200 | (985) |
| Aldermen expenses | 6,253 | 6,500 | 247 |
| Audit | 5,195 | 5,200 | 5 |
| Legal and professional fees | 12,796 | 12,000 | (796) |
| Office supplies | 2,966 | 3,000 | 34 |
| Coffee supplies | 1,643 | 2,000 | 357 |
| Janitorial supplies | 428 | 600 | 172 |
| Advertising | 6,744 | 7,000 | 256 |
| Signs and insignias | 750 | 1,000 | 250 |
| LMA - dues | 243 | 250 | 7 |
| LMA - expenses | 3,616 | 4,000 | 384 |
| Dues and subscriptions | 509 | 550 | 41 |
| Insurance - general and automotive | 27,113 | 25,000 | (2,113) |
| Utilities | 13,370 | 14,000 | 630 |
| Postage | 3,323 | 4,000 | 677 |
| Bank charges | 158 | 400 | 242 |
| Telephone | 15,056 | 15,000 | (56) |
| Repairs - office equipment | 3,114 | 5,000 | 1,886 |
| Repairs - buildings | 3,180 | 5,000 | 1,820 |
| Repairs - vehicles | (1,970) | 3,000 | 4,970 |
| Gas and oil | 3,017 | 3,500 | 483 |
| Public assistance | 245 | 2,000 | 1,755 |
| Physicals | 1,455 | 1,200 | (255) |
| School training | 0 | 400 | 400 |
| Travel and other | 776 | 900 | 124 |
| Computer consulting | 0 | 0 | 0 |
| Safety equipment | 286 | 400 | 114 |
| Elections expense | 1,433 | 1,450 | 17 |
| Inauguration expense | 3,800 | 3,800 | 0 |
| Miscellaneous | 372 | 1,500 | 1,128 |
| National Youth Team Rentals | 0 | 0 | 0 |
| Intergovernmental - JP Video Poker/Jail Construction | 5,013 | 5,100 | 87 |
| Capital outlay | | | |
| Office furniture and equipment | 2,584 | 3,000 | 416 |
| Vehicles | 1,027 | 1,000 | (27) |
| Fishing pier repairs | 0 | 0 | 0 |
| TOTAL DEPARTMENT | \$ 378,830 | \$ 409,800 | \$ 30,970 |

TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT -
ACTUAL AND BUDGET - GENERAL GOVERNMENT FUNCTION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|---|-------------------|-------------------|---|
| MAYOR'S DEPARTMENT | | | |
| Salaries | \$ 50,401 | \$ 58,200 | \$ 7,799 |
| Local and special expenses | 232 | 500 | 268 |
| Office supplies | 451 | 1,000 | 549 |
| Legal and professional fees | 7,763 | 12,000 | 4,237 |
| Repairs - vehicles | 356 | 1,000 | 644 |
| Gas and oil | 1,286 | 1,500 | 214 |
| Travel and other | 2,313 | 3,000 | 687 |
| Miscellaneous | 14 | 100 | 86 |
| Capital outlay | | | |
| Office furniture and equipment | 575 | 1,000 | 425 |
| TOTAL DEPARTMENT | \$ 63,391 | \$ 78,300 | \$ 14,909 |
| PLANNING COMMISSION AND TAX DEPARTMENT | | | |
| Salaries | \$ 38,920 | \$ 39,400 | \$ 480 |
| Office supplies | 651 | 600 | (51) |
| Printing - tax bills | 3,718 | 3,800 | 82 |
| Postage | 2,300 | 2,500 | 200 |
| Advertising | 35 | 2,100 | 2,065 |
| Recordation | (63) | 1,500 | 1,563 |
| Travel and other | 710 | 800 | 90 |
| Training | 0 | 0 | 0 |
| Miscellaneous | (2,263) | 100 | 2,363 |
| Capital outlay | | | |
| Office furniture and equipment | 1,184 | 1,000 | (184) |
| TOTAL DEPARTMENT | \$ 45,192 | \$ 51,800 | \$ 6,608 |
| TOTAL GENERAL GOVERNMENT | \$ 487,413 | \$ 539,900 | \$ 52,487 |

TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT -
ACTUAL AND BUDGET - PUBLIC SAFETY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|------------------------------------|-------------------|-------------------|---|
| POLICE DEPARTMENT | | | |
| Salaries | \$ 238,174 | \$ 230,000 | \$ (8,174) |
| Insurance - hospitalization | 33,210 | 32,000 | (1,210) |
| Insurance - workmen's compensation | 20,247 | 20,000 | (247) |
| Retirement - police | 1,084 | 3,000 | 1,916 |
| Dues and subscriptions | 125 | 200 | 75 |
| Food and lodging - deputies | 1,938 | 1,500 | (438) |
| Food - prisoners | 599 | 500 | (99) |
| Legal and professional fees | 169 | 2,000 | 1,831 |
| Travel and other | 697 | 2,100 | 1,403 |
| Office supplies | 4,862 | 4,000 | (862) |
| Coffee supplies | 1,095 | 900 | (195) |
| Janitorial supplies | 813 | 800 | (13) |
| Telephone | 15,504 | 15,500 | (4) |
| Uniforms | 2,343 | 1,200 | (1,143) |
| Ammunition | 648 | 500 | (148) |
| Repairs -building | 3,929 | 5,000 | 1,071 |
| Repairs - equipment | 1,020 | 2,000 | 980 |
| Repairs -vehicles | 9,427 | 10,000 | 573 |
| Chemicals | 67 | 100 | 33 |
| Postage | 44 | 50 | 6 |
| School training | 3,180 | 5,000 | 1,820 |
| DARE program expenses | 0 | 0 | 0 |
| Drug Task Force participation | 0 | 0 | 0 |
| Governor's grant expenditures | 0 | 0 | 0 |
| Insurance - general and automotive | 23,734 | 22,000 | (1,734) |
| Utilities | 4,010 | 4,000 | (10) |
| Gas and oil | 14,223 | 16,000 | 1,777 |
| Small tools and equipment | 238 | 250 | 12 |
| Miscellaneous | 714 | 3,400 | 2,686 |
| Capital outlay | | | |
| Office furniture and equipment | (6,857) | 5,000 | 11,857 |
| Vehicles and equipment | 26,349 | 15,000 | (11,349) |
| Guns and equipment | 8,744 | 12,500 | 3,756 |
| TOTAL DEPARTMENT | \$ 410,330 | \$ 414,500 | \$ 4,170 |
| CIVIL DEFENSE | | | |
| Emergency fund | \$ 0 | \$ 2,000 | \$ 2,000 |
| Travel and other | 0 | 500 | 500 |
| Miscellaneous | 0 | 0 | 0 |
| TOTAL DEPARTMENT | \$ 0 | \$ 2,500 | \$ 2,500 |
| TOTAL PUBLIC SAFETY | \$ 410,330 | \$ 417,000 | \$ 6,670 |

TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT -
ACTUAL AND BUDGET - PUBLIC WORKS FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|------------------------------------|-------------------|-------------------|---|
| STREETS DEPARTMENT | | | |
| Salaries | \$ 95,460 | \$ 133,350 | \$ 37,890 |
| Street repairs | 1,766 | 4,000 | 2,234 |
| Street signs | 4,111 | 4,500 | 389 |
| Small tools and equipment | 450 | 1,000 | 550 |
| Repairs - vehicles | 6,334 | 10,000 | 3,666 |
| Gas and oil | 9,369 | 12,000 | 2,631 |
| Limestone | 4,820 | 5,000 | 180 |
| Miscellaneous | 128 | 500 | 372 |
| Capital outlay | | | |
| Vehicles and equipment | 28,764 | 29,000 | 236 |
| Street construction | 0 | 0 | 0 |
| TOTAL DEPARTMENT | \$ 151,202 | \$ 199,350 | \$ 48,148 |
| SANITATION DEPARTMENT | | | |
| Salaries | \$ 54,275 | \$ 57,000 | \$ 2,725 |
| Chemicals | 1,827 | 2,000 | 173 |
| Repairs - dumpsite | 0 | 200 | 200 |
| Legal and professional fees | 0 | 0 | 0 |
| Landfill closure | 196 | 200 | 4 |
| Gas and oil | 2,334 | 2,500 | 166 |
| Repairs - vehicles | 2,242 | 3,000 | 758 |
| Small tools and equipment | 345 | 500 | 155 |
| Utilities | 1,821 | 2,200 | 379 |
| Contracted services - hauling | 261,077 | 260,000 | (1,077) |
| Miscellaneous | 146 | 500 | 354 |
| Capital outlay | | | |
| Vehicles and equipment | 1 | 0 | (1) |
| Debt Service | | | |
| Principal | 12,142 | 15,000 | 2,858 |
| Interest | 2,162 | 0 | (2,162) |
| TOTAL DEPARTMENT | \$ 338,568 | \$ 343,100 | \$ 4,532 |
| TOTAL PUBLIC WORKS FUNCTION | \$ 489,770 | \$ 542,450 | \$ 52,680 |

TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT -
ACTUAL AND BUDGET - CULTURE, RECREATION AND TOURISM
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|-------------------------|-------------------------|---|
| TOURISM DEPARTMENT | | | |
| Salaries | \$ 16,378 | \$ 16,500 | \$ 122 |
| Advertising | 13,846 | 13,000 | (846) |
| Dues and subscriptions | 299 | 300 | 1 |
| Office supplies | 190 | 400 | 210 |
| Telephone | 1,548 | 1,600 | 52 |
| Postage | 350 | 400 | 50 |
| Travel and other | 1,142 | 800 | (342) |
| TOTAL DEPARTMENT | \$ <u>33,753</u> | \$ <u>33,000</u> | \$ <u>(753)</u> |
| TOTAL CULTURE, RECREATION AND TOURISM | \$ <u>33,753</u> | \$ <u>33,000</u> | \$ <u>(753)</u> |

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SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenues that are legally restricted to expenditures for specific purposes.

SEIZURE AND FORFEITURE

Used to account for the proceeds of funds seized during drug enforcement activities. These proceeds are to be used exclusively for drug enforcement.

DRAINAGE DISTRICT NO. 1

Used to account for the proceeds of one-third of the 1981 ½ cent sales tax to be used for operations, maintenance, and improvements of the Town's drainage system.

EROSION CONTROL FUND

Used to account for intergovernmental revenues and donations received to be used for erosion control projects within the Town limits.

MOSQUITO CONTROL FUND

Used to account for the proceeds of a mosquito fee assessed on all residential and commercial property to be used to control the mosquito population within the community.

RECREATION FUND

Used to account for the proceeds of an expired State racing tax to be used for recreational activities and facilities.

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16

Used to account for the proceeds of an ad valorem tax levied by the Parish of Jefferson and remitted to the Town for the construction, operations, and debt service costs of the Grand Isle Community Center and Playground District.

RIVERBOAT GAMBLING AND ADMISSIONS FEES

Used to account for the Town's 5 percent share of boarding fees received by Jefferson Parish from the Boomtown Belle Casino.

TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001**

| | <u>SEIZURE AND FORFEITURE</u> | <u>DRAINAGE DISTRICT NO. 1</u> | <u>EROSION CONTROL FUND</u> | <u>MOSQUITO CONTROL FUND</u> |
|--|---------------------------------------|--|-------------------------------------|--------------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 5,863 | \$ 0 | \$ 45,637 | \$ 9,541 |
| Receivables | | | | |
| Accounts receivable | 0 | 0 | 0 | 23,800 |
| Intergovernmental | | | | |
| Sales tax | 0 | 6,121 | 0 | 0 |
| Playground District No. 16 taxes | 0 | 0 | 0 | 0 |
| Gaming fees and commissions | 0 | 0 | 0 | 0 |
| Due from other funds | 0 | 35,422 | 0 | 639 |
| Prepaid items | 0 | 0 | 0 | 0 |
| TOTAL ASSETS | <u>\$ 5,863</u> | <u>\$ 41,543</u> | <u>\$ 45,637</u> | <u>\$ 33,980</u> |
| LIABILITIES AND FUND EQUITY | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Accrued payroll and deductions | 0 | 0 | 0 | 0 |
| Due to other funds | 0 | 0 | 9,650 | 495 |
| Total Liabilities | <u>0</u> | <u>0</u> | <u>9,650</u> | <u>495</u> |
| Fund Equity | | | | |
| Fund Balances | | | | |
| Reserved for prepaid items | 0 | 0 | 0 | 0 |
| Reserved for drainage pumps | 0 | 41,543 | 0 | 0 |
| Unreserved | | | | |
| Designated | 0 | 0 | 0 | 0 |
| Undesignated | 5,863 | 0 | 35,987 | 33,485 |
| Total Fund Equity | <u>5,863</u> | <u>41,543</u> | <u>35,987</u> | <u>33,485</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 5,863</u> | <u>\$ 41,543</u> | <u>\$ 45,637</u> | <u>\$ 33,980</u> |

| <u>RECREATION FUND</u> | <u>COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16</u> | <u>RIVERBOAT GAMBLING ADMISSION FEES</u> | <u>TOTAL</u> |
|----------------------------|--|--|-------------------|
| \$ 11,222 | \$ 187,566 | \$ 135,686 | \$ 395,515 |
| 0 | 0 | 0 | 23,800 |
| 0 | 0 | 0 | 6,121 |
| 0 | 91,456 | 0 | 91,456 |
| 0 | 0 | 0 | 0 |
| 0 | 6,142 | 16,542 | 58,745 |
| 0 | 22,168 | 0 | 22,168 |
| <u>\$ 11,222</u> | <u>\$ 307,332</u> | <u>\$ 152,228</u> | <u>\$ 597,805</u> |

| | | | |
|----------|--------------|---------------|---------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 733 | 0 | 733 |
| 0 | 898 | 33,058 | 44,101 |
| <u>0</u> | <u>1,631</u> | <u>33,058</u> | <u>44,834</u> |

| | | | |
|------------------|-------------------|-------------------|-------------------|
| 0 | 22,168 | 0 | 22,168 |
| 0 | 0 | 0 | 41,543 |
| 0 | 0 | 0 | 0 |
| 11,222 | 283,533 | 119,170 | 489,260 |
| <u>11,222</u> | <u>305,701</u> | <u>119,170</u> | <u>552,971</u> |
| <u>\$ 11,222</u> | <u>\$ 307,332</u> | <u>\$ 152,228</u> | <u>\$ 597,805</u> |

TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>SEIZURE AND FORFEITURE</u> | <u>DRAINAGE DISTRICT NO. 1</u> | <u>EROSION CONTROL FUND</u> | <u>MOSQUITO CONTROL FUND</u> |
|---|---------------------------------------|--|-------------------------------------|--------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 0 | \$ 24,986 | \$ 0 | \$ 0 |
| Intergovernmental | 0 | 0 | 0 | 0 |
| Gamings fees and commissions | 0 | 0 | 0 | 0 |
| Fines and forfeitures | 2,499 | 0 | 0 | 0 |
| Charges for services | 0 | 0 | 0 | 77,801 |
| Miscellaneous | 92 | 0 | 1,234 | 461 |
| TOTAL REVENUES | <u>2,591</u> | <u>24,986</u> | <u>1,234</u> | <u>78,262</u> |
| EXPENDITURES | | | | |
| <i>Current</i> | | | | |
| Public safety | 0 | 0 | 0 | 0 |
| Public works | 0 | 40,860 | 0 | 0 |
| Health and welfare | 0 | 0 | 0 | 75,055 |
| Culture and recreation | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES | <u>0</u> | <u>40,860</u> | <u>0</u> | <u>75,055</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>2,591</u> | <u>(15,874)</u> | <u>1,234</u> | <u>3,207</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | 0 | 13,096 | 0 | 0 |
| Operating transfers out | 0 | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>0</u> | <u>13,096</u> | <u>0</u> | <u>0</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | 2,591 | (2,778) | 1,234 | 3,207 |
| FUND BALANCE | | | | |
| Beginning of year | 3,272 | 44,321 | 34,753 | 30,278 |
| End of year | <u>\$ 5,863</u> | <u>\$ 41,543</u> | <u>\$ 35,987</u> | <u>\$ 33,485</u> |

| <u>RECREATION FUND</u> | <u>COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16</u> | <u>RIVERBOAT GAMBLING ADMISSION FEES</u> | <u>TOTAL</u> |
|----------------------------|--|--|-------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 24,986 |
| 0 | 222,813 | 0 | 222,813 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 2,499 |
| 0 | 4,275 | 0 | 82,076 |
| 263 | 21,922 | 8,010 | 31,982 |
| <u>263</u> | <u>249,010</u> | <u>8,010</u> | <u>364,356</u> |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 39,616 | 80,476 |
| 0 | 0 | 0 | 75,055 |
| 10,270 | 313,399 | 0 | 323,669 |
| <u>10,270</u> | <u>313,399</u> | <u>39,616</u> | <u>479,200</u> |
| <u>(10,007)</u> | <u>(64,389)</u> | <u>(31,606)</u> | <u>(114,844)</u> |
| 0 | 0 | 0 | 13,096 |
| 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>13,096</u> |
| (10,007) | (64,389) | (31,606) | (101,748) |
| 21,229 | 370,090 | 150,776 | 654,719 |
| <u>\$ 11,222</u> | <u>\$ 305,701</u> | <u>\$ 119,170</u> | <u>\$ 552,971</u> |

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TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | TOTALS BY FUNCTION | | |
|---|---------------------------|-------------------|---|
| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| REVENUES | | | |
| Taxes | \$ 24,986 | \$ 20,000 | \$ 4,986 |
| Intergovernmental | 222,813 | 260,400 | (37,587) |
| Gamings fees and commissions | 0 | 0 | 0 |
| Fines and forfeitures | 2,499 | 0 | 2,499 |
| Charges for services | 82,076 | 86,000 | (3,924) |
| Miscellaneous | 31,982 | 31,000 | 982 |
| TOTAL REVENUES | <u>364,356</u> | <u>397,400</u> | <u>(33,044)</u> |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | 0 | 0 | 0 |
| Public works | 80,476 | 42,800 | (37,676) |
| Health and welfare | 75,055 | 87,800 | 12,745 |
| Culture and recreation | 323,669 | 332,195 | 8,526 |
| TOTAL EXPENDITURES | <u>479,200</u> | <u>462,795</u> | <u>(16,405)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(114,844)</u> | <u>(65,395)</u> | <u>(49,449)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 13,096 | 22,800 | (9,704) |
| Operating transfers out | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>13,096</u> | <u>22,800</u> | <u>(9,704)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>(101,748)</u> | <u>(42,595)</u> | <u>(59,153)</u> |
| FUND BALANCE | | | |
| Beginning of year | 654,719 | 654,719 | 0 |
| End of year | <u>\$ 552,971</u> | <u>\$ 612,124</u> | <u>\$ (59,153)</u> |

TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>SEIZURE AND FORFEITURE</u> | | |
|---|-------------------------------|-----------------|---|
| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| REVENUES | | | |
| Fines and forfeitures | | | |
| Seizures and forfeitures | \$ 2,499 | \$ 0 | \$ 0 |
| Miscellaneous | | | |
| Interest income | 92 | 0 | (92) |
| TOTAL REVENUES | <u>2,591</u> | <u>0</u> | <u>(92)</u> |
| EXPENDITURES | | | |
| Public safety | | | |
| Supplies | 0 | 0 | 0 |
| Training | 0 | 0 | 0 |
| TOTAL EXPENDITURES | <u>0</u> | <u>0</u> | <u>0</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>2,591</u> | <u>0</u> | <u>2,591</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 0 | 0 | 0 |
| Operating transfers out | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>0</u> | <u>0</u> | <u>0</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>2,591</u> | <u>0</u> | <u>2,591</u> |
| FUND BALANCE | | | |
| Beginning of year | 3,272 | 3,272 | 0 |
| End of year | <u>\$ 5,863</u> | <u>\$ 3,272</u> | <u>\$ 2,591</u> |

TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>DRAINAGE DISTRICT NO. 1</u> | | |
|---|--------------------------------|------------------|---|
| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| REVENUES | | | |
| Taxes | | | |
| Sales taxes | \$ 24,986 | \$ 20,000 | \$ 4,986 |
| Miscellaneous | | | |
| Interest income | 0 | 0 | 0 |
| TOTAL REVENUES | <u>24,986</u> | <u>20,000</u> | <u>4,986</u> |
| EXPENDITURES | | | |
| Public Works | | | |
| Utilities | 7,726 | 8,000 | 274 |
| Professional fees | 0 | 0 | 0 |
| Repairs and maintenance - Pump Station No. 1 | 20,559 | 20,000 | (559) |
| Culverts and gates | 0 | 2,200 | 2,200 |
| Lease payments | 1,200 | 1,200 | 0 |
| Canal cleaning | 0 | 0 | 0 |
| Miscellaneous | 625 | 600 | (25) |
| Capital outlays | | | |
| Pump purchases | 10,750 | 10,800 | 50 |
| TOTAL EXPENDITURES | <u>40,860</u> | <u>42,800</u> | <u>1,940</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(15,874)</u> | <u>(22,800)</u> | <u>6,926</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 13,096 | 22,800 | (9,704) |
| Operating transfers out | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>13,096</u> | <u>22,800</u> | <u>(9,704)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>(2,778)</u> | <u>0</u> | <u>(2,778)</u> |
| FUND BALANCE | | | |
| Beginning of year | 44,321 | 44,321 | 0 |
| End of year | <u>\$ 41,543</u> | <u>\$ 44,321</u> | <u>\$ (2,778)</u> |

TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>EROSION CONTROL FUND</u> | | |
|---|-----------------------------|------------------|---|
| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| REVENUES | | | |
| Miscellaneous | | | |
| Interest income | \$ 1,234 | \$ 0 | \$ 1,234 |
| TOTAL REVENUES | <u>1,234</u> | <u>0</u> | <u>1,234</u> |
| EXPENDITURES | | | |
| Public Works | | | |
| Miscellaneous | 0 | 0 | 0 |
| TOTAL EXPENDITURES | <u>0</u> | <u>0</u> | <u>0</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>1,234</u> | <u>0</u> | <u>1,234</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 0 | 0 | 0 |
| Operating transfers out | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>0</u> | <u>0</u> | <u>0</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | 1,234 | 0 | 1,234 |
| FUND BALANCE | | | |
| Beginning of year | 34,753 | 34,753 | 0 |
| End of year | \$ <u>35,987</u> | \$ <u>34,753</u> | \$ <u>1,234</u> |

TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>MOSQUITO CONTROL FUND</u> | | |
|---|------------------------------|------------------|---|
| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| REVENUES | | | |
| Charges for services | | | |
| Mosquito fees | \$ 77,181 | \$ 80,000 | \$ (2,819) |
| Grass cutting fees | 620 | 2,000 | (1,380) |
| Miscellaneous | | | |
| Interest income | 461 | 300 | 161 |
| TOTAL REVENUES | <u>78,262</u> | <u>82,300</u> | <u>(4,038)</u> |
| EXPENDITURES | | | |
| Health and Welfare | | | |
| Repairs and maintenance - buildings | 0 | 600 | 600 |
| Chemicals | 34,392 | 31,000 | (3,392) |
| Aerial spraying and larviciding | 33,700 | 46,000 | 12,300 |
| Grass cutting | 100 | 2,000 | 1,900 |
| Audit | 1,463 | 1,500 | 37 |
| Insurance - general | 0 | 0 | 0 |
| Schools and training | 0 | 600 | 600 |
| Miscellaneous | 0 | 700 | 700 |
| Interdepartmental administrative fee | 5,400 | 5,400 | 0 |
| TOTAL EXPENDITURES | <u>75,055</u> | <u>87,800</u> | <u>12,745</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>3,207</u> | <u>(5,500)</u> | <u>8,707</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 0 | 0 | 0 |
| Operating transfers out | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>0</u> | <u>0</u> | <u>0</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | 3,207 | (5,500) | 8,707 |
| FUND BALANCE | | | |
| Beginning of year | 30,278 | 30,278 | 0 |
| End of year | <u>\$ 33,485</u> | <u>\$ 24,778</u> | <u>\$ 8,707</u> |

TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>RECREATION FUND</u> | | |
|---|------------------------|------------------|---|
| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| REVENUES | | | |
| Miscellaneous | | | |
| Interest income | \$ 263 | \$ 0 | \$ 263 |
| TOTAL REVENUES | <u>263</u> | <u>0</u> | <u>263</u> |
| EXPENDITURES | | | |
| Culture and Recreation | | | |
| Port-o-lets | 2,520 | 0 | (2,520) |
| Baseball Park supplies | 1,590 | 0 | (1,590) |
| Christmas decorations | 2,895 | 0 | (2,895) |
| Fishing Bridge repairs | 3,265 | 0 | (3,265) |
| TOTAL EXPENDITURES | <u>10,270</u> | <u>0</u> | <u>(10,270)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(10,007)</u> | <u>0</u> | <u>(10,007)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 0 | 0 | 0 |
| Operating transfers out | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>0</u> | <u>0</u> | <u>0</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>(10,007)</u> | <u>0</u> | <u>(10,007)</u> |
| FUND BALANCE | | | |
| Beginning of year | 21,229 | 21,229 | 0 |
| End of year | \$ <u>11,222</u> | \$ <u>21,229</u> | \$ <u>(10,007)</u> |

TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16 | | |
|--|--|----------------|---|
| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| REVENUES | | | |
| Intergovernmental | | | |
| Parish dedicated ad valorem taxes | \$ 172,413 | \$ 160,000 | \$ 12,413 |
| Office of State Parks - Beach cleaning | 0 | 50,000 | (50,000) |
| National Recreational Trail Grant | 43,600 | 43,600 | 0 |
| Rural Development Grant | 6,800 | 6,800 | 0 |
| Charges for services | | | |
| Rental income | 4,275 | 4,000 | 275 |
| Miscellaneous | | | |
| Interest income | 9,441 | 9,000 | 441 |
| Donations - Beach Sweep | 571 | 0 | 571 |
| Donations - Team City | 1,695 | 1,700 | (5) |
| Donations - Info Center | 5,000 | 5,000 | 0 |
| Bantam Football | 5,094 | 5,000 | 94 |
| Other | 121 | 1,000 | (879) |
| TOTAL REVENUES | <u>249,010</u> | <u>286,100</u> | <u>(37,090)</u> |
| EXPENDITURES | | | |
| Culture and Recreation | | | |
| Salaries | 13,303 | 16,000 | 2,697 |
| Salaries - beach sweep | 24,966 | 24,000 | (966) |
| Payroll taxes | 2,668 | 2,700 | 32 |
| Unemployment taxes | 275 | 500 | 225 |
| Insurance | | | |
| Hospitalization | 4,294 | 4,800 | 506 |
| Workman's compensation | 2,642 | 2,800 | 158 |
| General | 44,027 | 40,000 | (4,027) |
| Audit | 4,471 | 4,500 | 29 |
| Legal and professional fees | 1,031 | 1,200 | 169 |
| Janitorial supplies | 2,435 | 2,500 | 65 |
| Office supplies | 992 | 1,000 | 8 |
| Coffee supplies | 268 | 500 | 232 |
| Supplies - beach cleaning | 66 | 1,000 | 934 |
| Repairs and maintenance - | | | |
| Building | 13,794 | 15,000 | 1,206 |
| Office equipment | 655 | 1,000 | 345 |
| Vehicles and equipment | 92 | 500 | 408 |
| Beach cleaning equipment | 3,411 | 5,000 | 1,589 |
| Tennis courts | 0 | 1,000 | 1,000 |
| Parks and playgrounds | 36,790 | 40,000 | 3,210 |
| Gas and oil | 8 | 500 | 492 |
| Gas and oil - beach sweep | 2,732 | 3,000 | 268 |
| Recreational assistance | 7,740 | 8,000 | 260 |
| Beach sweep expenses | 491 | 500 | 9 |
| Small tools and equipment | 0 | 300 | 300 |

TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16 | | |
|---|--|-------------------|---|
| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| Rural Development Grant expenditures | 6,800 | 6,800 | 0 |
| Team City Info Center | 601 | 5,000 | 4,399 |
| Team City Info Center - expenditures | 0 | 1,695 | 1,695 |
| Telephone | 476 | 600 | 124 |
| Utilities | 32,496 | 32,000 | (496) |
| Interdepartmental administrative fee | 15,000 | 15,000 | 0 |
| Miscellaneous | 219 | 500 | 281 |
| Capital outlays | | | |
| Office furniture and equipment | 4,092 | 5,000 | 908 |
| Vehicles | 0 | 0 | 0 |
| Beach cleaning equipment | 32,378 | 35,000 | 2,622 |
| Playground equipment | 4,204 | 4,300 | 96 |
| Recreational trail | 49,982 | 50,000 | 18 |
| TOTAL EXPENDITURES | <u>313,399</u> | <u>332,195</u> | <u>18,796</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(64,389)</u> | <u>(46,095)</u> | <u>(18,294)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 0 | 0 | 0 |
| Operating transfers out | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>0</u> | <u>0</u> | <u>0</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>(64,389)</u> | <u>(46,095)</u> | <u>(18,294)</u> |
| FUND BALANCE | | | |
| Beginning of year | 370,090 | 370,090 | 0 |
| End of year | <u>\$ 305,701</u> | <u>\$ 323,995</u> | <u>\$ (18,294)</u> |

TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>RIVERBOAT GAMBLING ADMISSION FEES</u> | | |
|---|--|-------------------|---|
| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| REVENUES | | | |
| Gaming fees and commissions | | | |
| Riverboat admission fees | \$ 0 | \$ 0 | \$ 0 |
| Miscellaneous | | | |
| Interest income | 8,010 | 9,000 | (990) |
| TOTAL REVENUES | <u>8,010</u> | <u>9,000</u> | <u>(990)</u> |
| EXPENDITURES | | | |
| Public Works | | | |
| Capital improvements | 0 | 0 | 0 |
| Equipment | 39,616 | 0 | (39,616) |
| TOTAL EXPENDITURES | <u>39,616</u> | <u>0</u> | <u>(39,616)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(31,606)</u> | <u>9,000</u> | <u>(40,606)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 0 | 0 | 0 |
| Operating transfers out | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>0</u> | <u>0</u> | <u>0</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>(31,606)</u> | <u>9,000</u> | <u>(40,606)</u> |
| FUND BALANCE | | | |
| Beginning of year | 150,776 | 150,776 | 0 |
| End of year | <u>\$ 119,170</u> | <u>\$ 159,776</u> | <u>\$ (40,606)</u> |

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ENTERPRISE FUNDS

Enterprise funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises (i.e., where the intent of the governing body is that the costs of providing goods or services to the general public be financed or recovered primarily through user charges).

WATERWORKS UTILITIES FUND

Used to account for the provision of water 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 operations, maintenance, construction, administration, financing and related debt service, and billing and collection.

GAS UTILITIES FUND

Used 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 operations, maintenance, administration, financing and related debt service, and billing and collection.

TOWN OF GRAND ISLE, LOUISIANA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001

| | WATERWORKS UTILITY FUND | GAS UTILITY FUND | TOTAL |
|---|----------------------------|---------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 216,735 | \$ 2,707 | \$ 219,442 |
| Receivables | | | |
| Accounts receivable | 227,885 | 7,332 | 235,217 |
| Property taxes | 0 | 0 | 0 |
| Due from other governments | 6,378 | 0 | 6,378 |
| Other | 2,232 | 0 | 2,232 |
| Due from other funds | 34,768 | 0 | 34,768 |
| Inventory | 17,729 | 28,396 | 46,125 |
| Prepaid insurance | 47,948 | 2,909 | 50,857 |
| Total Current Assets | <u>553,675</u> | <u>41,344</u> | <u>595,019</u> |
| Restricted Assets | | | |
| Cash and cash equivalents | 1,808,483 | 0 | 1,808,483 |
| Due from other governments | 586,014 | 0 | 586,014 |
| Total Restricted Assets | <u>2,394,497</u> | <u>0</u> | <u>2,394,497</u> |
| Property, plant and equipment (net of accumulated depreciation and amortization of \$2,171,873 and \$328,776, respectively) | | | |
| | 16,920,332 | 187,490 | 17,107,822 |
| Unamortized bond issuance costs (net of accumulated depreciation and amortization of \$1,725 and \$-0-, respectively) | | | |
| | 50,020 | 0 | 50,020 |
| TOTAL ASSETS | <u>\$ 19,918,524</u> | <u>\$ 228,834</u> | <u>\$ 20,147,358</u> |
| LIABILITIES AND FUND EQUITY | | | |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 60,000 | \$ 37,406 | \$ 97,406 |
| Accrued salaries | 1,999 | 500 | 2,499 |
| Due to other funds | 0 | 21,757 | 21,757 |
| Total Current Liabilities | <u>61,999</u> | <u>59,663</u> | <u>121,662</u> |
| Current Liabilities Payable From Restricted Assets | | | |
| Accounts and retainages payable | 131,707 | 0 | 131,707 |
| Customer deposits | 85,755 | 0 | 85,755 |
| Due to other funds | 9,630 | 0 | 9,630 |
| Accrued interest payable | 10,910 | 0 | 10,910 |
| Grant anticipation notes payable | 712,500 | 0 | 712,500 |
| Total Current Liabilities Payable From Restricted Assets | <u>950,502</u> | <u>0</u> | <u>950,502</u> |
| Long-term Liabilities | | | |
| Capital leases payable | 14,433 | 0 | 14,433 |
| Water revenue bonds payable | 9,225,000 | 0 | 9,225,000 |
| Total Long-term Liabilities | <u>9,239,433</u> | <u>0</u> | <u>9,239,433</u> |
| TOTAL LIABILITIES | <u>10,251,934</u> | <u>59,663</u> | <u>10,311,597</u> |
| FUND EQUITY | | | |
| Contributed capital | | | |
| Contributions from municipality | 328,000 | 0 | 328,000 |
| Contributions from state capital outlay | 4,813,999 | 0 | 4,813,999 |
| Contributions from state capital outlay - Phase IV | 333,705 | 0 | 333,705 |
| Contributions from EPA grant | 2,943,500 | 0 | 2,943,500 |
| Contributions from federal grant | 502,500 | 0 | 502,500 |
| Total Contributed Capital | <u>8,921,704</u> | <u>0</u> | <u>8,921,704</u> |
| Retained Earnings | | | |
| Reserved for debt service - sinking | 152,706 | 0 | 152,706 |
| Reserved for debt service - reserve | 29,813 | 0 | 29,813 |
| Reserved for depreciation and contingencies | 30,219 | 0 | 30,219 |
| Unreserved | 532,148 | 169,171 | 701,319 |
| Total Retained Earnings | <u>744,886</u> | <u>169,171</u> | <u>914,057</u> |
| TOTAL FUND EQUITY | <u>9,666,590</u> | <u>169,171</u> | <u>9,835,761</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 19,918,524</u> | <u>\$ 228,834</u> | <u>\$ 20,147,358</u> |

TOWN OF GRAND ISLE, LOUISIANA

**ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>WATERWORKS UTILITY FUND</u> | <u>GAS UTILITY FUND</u> | <u>TOTAL</u> |
|---|------------------------------------|-----------------------------|-------------------|
| OPERATING REVENUES | | | |
| Water sales | \$ 948,861 | \$ 0 | \$ 948,861 |
| Gas sales | 0 | 194,575 | 194,575 |
| Service charges | 1,770 | 720 | 2,490 |
| Installation charges | 8,793 | 1,765 | 10,558 |
| Delinquent penalties | 23,274 | 0 | 23,274 |
| Miscellaneous | 36 | 0 | 36 |
| Total Operating Revenues | <u>982,734</u> | <u>197,060</u> | <u>1,179,794</u> |
| OPERATING EXPENSES | | | |
| Personal services | 162,049 | 40,512 | 202,561 |
| Contracted services | 168,862 | 171,167 | 340,029 |
| Materials and supplies | 25,710 | 4,637 | 30,347 |
| General and administrative | 245,402 | 40,287 | 285,689 |
| Depreciation and amortization | 245,139 | 10,529 | 255,668 |
| Depreciation on contributed assets | 226,133 | 0 | 226,133 |
| Total Operating Expenses | <u>1,073,295</u> | <u>267,132</u> | <u>1,340,427</u> |
| OPERATING INCOME (LOSS) | <u>(90,561)</u> | <u>(70,072)</u> | <u>(160,633)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Interest income | 53,837 | 246 | 54,083 |
| Interest expense | (439,439) | 0 | (439,439) |
| Amortization of bond issuance costs | (1,294) | 0 | (1,294) |
| Ad valorem taxes | 78,491 | 19,389 | 97,880 |
| Intergovernmental | 0 | | |
| State - Community Development - hydrant grant | 0 | 0 | 0 |
| State - DOTD highway maintenance | 12,756 | 0 | 12,756 |
| Total Non-Operating Revenues (Expenses) | <u>(295,649)</u> | <u>19,635</u> | <u>(276,014)</u> |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | <u>(386,210)</u> | <u>(50,437)</u> | <u>(436,647)</u> |
| OPERATING TRANSFERS IN | 0 | 0 | 0 |
| OPERATING TRANSFERS OUT | 0 | 0 | 0 |
| NET INCOME (LOSS) | <u>(386,210)</u> | <u>(50,437)</u> | <u>(436,647)</u> |
| Add Back: Depreciation on contributed assets | 226,133 | 0 | 226,133 |
| RETAINED EARNINGS | | | |
| Beginning of Year | 904,963 | 219,608 | 1,124,571 |
| End of Year | <u>\$ 744,886</u> | <u>\$ 169,171</u> | <u>\$ 914,057</u> |

TOWN OF GRAND ISLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 WATERWORKS AND GAS UTILITIES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

| | WATERWORKS UTILITY FUND | GAS UTILITY FUND | TOTAL |
|---|----------------------------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating loss | \$ (90,561) | \$ (70,072) | \$ (160,633) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | |
| Depreciation and amortization | 245,139 | 10,529 | 255,668 |
| Depreciation on contributed assets | 226,133 | 0 | 226,133 |
| (Increase) decrease in assets: | | | |
| Accounts receivable | (61,206) | (1,317) | (62,523) |
| Due from other funds | (20,874) | 17,746 | (3,128) |
| Inventory | 0 | (5,025) | (5,025) |
| Prepays | (25,368) | 2,962 | (22,406) |
| Increase (decrease) in liabilities: | | | |
| Accounts payable | 27,811 | (4,255) | 23,556 |
| Accrued salaries | 573 | 144 | 717 |
| Due to other funds | (12,628) | 21,757 | 9,129 |
| Customer deposits | 103 | 0 | 103 |
| Net adjustments | <u>379,683</u> | <u>42,541</u> | <u>422,224</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>289,122</u> | <u>(27,531)</u> | <u>261,591</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Ad valorem taxes | 78,491 | 19,389 | 97,880 |
| Receipts under DOTD maintenance contract | 12,756 | 0 | 12,756 |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>91,247</u> | <u>19,389</u> | <u>110,636</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Receipts under State Capital Outlay program (project no. 50-MB1-97B-1) | 0 | 0 | 0 |
| Proceeds from Grant Anticipation Notes | 712,500 | 0 | 712,500 |
| Interest refund on Revenue Bond Anticipation Notes | 69,861 | 0 | 69,861 |
| Interest paid on Water Revenue Bonds, Series 2000 | (438,188) | 0 | (438,188) |
| Payments on construction of water pipeline | (1,084,062) | 0 | (1,084,062) |
| Payments to vendors for construction of Parish portion of pipeline | (130,025) | 0 | (130,025) |
| Principal paid on capital lease for equipment | (6,808) | 0 | (6,808) |
| Interest paid on capital lease for equipment | (1,251) | 0 | (1,251) |
| Purchases of property and equipment | (50,295) | (1,101) | (51,396) |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(928,268)</u> | <u>(1,101)</u> | <u>(929,369)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | 53,837 | 246 | 54,083 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (494,062) | (8,997) | (503,059) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 2,519,280 | 11,704 | 2,530,984 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 2,025,218</u> | <u>\$ 2,707</u> | <u>\$ 2,027,925</u> |
| BREAKDOWN OF CASH AND CASH EQUIVALENTS PER BALANCE SHEET | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 216,735 | \$ 2,707 | \$ 219,442 |
| Restricted Assets | | | |
| Cash and cash equivalents | 1,808,483 | 0 | 1,808,483 |
| | <u>\$ 2,025,218</u> | <u>\$ 2,707</u> | <u>\$ 2,027,925</u> |

TOWN OF GRAND ISLE, LOUISIANA

**WATERWORKS UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|---|-------------------|-------------------|---|
| OPERATING REVENUES | | | |
| Water sales | \$ 948,861 | \$ 937,000 | \$ 11,861 |
| Service charges | 1,770 | 1,800 | (30) |
| Installation charges | 8,793 | 10,000 | (1,207) |
| Delinquent penalties | 23,274 | 22,000 | 1,274 |
| Miscellaneous | 36 | 1,000 | (964) |
| Total Operating Revenues | <u>982,734</u> | <u>971,800</u> | <u>10,934</u> |
| OPERATING EXPENSES | | | |
| Personal services | 162,049 | 168,985 | 6,936 |
| Contracted services | 168,862 | 140,000 | (28,862) |
| Materials and supplies | 25,710 | 53,500 | 27,790 |
| General and administrative | 245,402 | 300,800 | 55,398 |
| Depreciation and amortization | 245,139 | 40,000 | (205,139) |
| Depreciation on contributed assets | 226,133 | 225,000 | (1,133) |
| Total Operating Expenses | <u>1,073,295</u> | <u>928,285</u> | <u>(145,010)</u> |
| OPERATING INCOME (LOSS) | <u>(90,561)</u> | <u>43,515</u> | <u>(134,076)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Interest income | 53,837 | 20,000 | 33,837 |
| Interest expense | (439,439) | (482,200) | 42,761 |
| Amortization of bond issuance costs | (1,294) | 0 | (1,294) |
| Ad valorem taxes | 78,491 | 63,000 | 15,491 |
| Intergovernmental | | | |
| State - Community Development - hydrant grant | 0 | 25,000 | (25,000) |
| State - DOTD highway maintenance | 12,756 | 12,700 | 56 |
| Total Non-Operating Revenues (Expenses) | <u>(295,649)</u> | <u>(361,500)</u> | <u>65,851</u> |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | <u>(386,210)</u> | <u>(317,985)</u> | <u>(68,225)</u> |
| OPERATING TRANSFERS IN | 0 | 0 | 0 |
| OPERATING TRANSFERS OUT | 0 | 0 | 0 |
| NET INCOME (LOSS) | <u>(386,210)</u> | <u>(317,985)</u> | <u>(68,225)</u> |
| Add Back: Depreciation on contributed assets | 226,133 | 225,000 | 1,133 |
| RETAINED EARNINGS | | | |
| Beginning of Year | 904,963 | 904,963 | 0 |
| End of Year | <u>\$ 744,886</u> | <u>\$ 811,978</u> | <u>\$ (67,092)</u> |

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS AND GAS UTILITY FUND
 SCHEDULE OF OPERATING EXPENSES - ACTUAL AND BUDGET
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

| | ACTUAL | BUDGET | VARIANCE FAVORABLE (UNFAVORABLE) |
|--------------------------------------|---------------------|-------------------|--|
| PERSONAL SERVICES | | | |
| Salaries | \$ 121,254 | \$ 130,125 | \$ 8,871 |
| Payroll taxes | 9,168 | 8,860 | (308) |
| Insurance -workmen's compensation | 10,420 | 10,000 | (420) |
| Insurance - hopitalization and other | 21,207 | 20,000 | (1,207) |
| Total Personal Services | <u>162,049</u> | <u>168,985</u> | <u>6,936</u> |
| CONTRACTED SERVICES | | | |
| Water purchases | 168,862 | 140,000 | (28,862) |
| Barging expenses | 0 | 0 | 0 |
| Total Contracted Services | <u>168,862</u> | <u>140,000</u> | <u>(28,862)</u> |
| MATERIALS AND SUPPLIES | | | |
| Installation materials and labor | 9,738 | 10,000 | 262 |
| Gas and oil | 8,566 | 8,500 | (66) |
| Chemicals | 6,409 | 6,500 | 91 |
| Small tools and supplies | 997 | 28,500 | 27,503 |
| Total Material and Supplies | <u>25,710</u> | <u>53,500</u> | <u>27,790</u> |
| GENERAL AND ADMINISTRATIVE | | | |
| Audit | 3,577 | 3,600 | 23 |
| Bank charges | 414 | 400 | (14) |
| Dues and subscriptions | 0 | 0 | 0 |
| Insurance - general and auto | 47,133 | 80,000 | 32,867 |
| Interdepartmental administrative fec | 24,000 | 24,000 | 0 |
| Legal and professional | 17,572 | 19,000 | 1,428 |
| Miscellaneous | 1,480 | 2,000 | 520 |
| Office and janitorial supplies | 3,605 | 3,800 | 195 |
| One call service | 127 | 500 | 373 |
| Physicals and drug testing | 1,033 | 1,000 | (33) |
| Postage | 4,366 | 4,500 | 134 |
| Repairs and maintenance | | | |
| Buildings | 1,419 | 2,000 | 581 |
| Equipment and machines | 2,838 | 4,000 | 1,162 |
| Fire hydrant | 8,381 | 25,000 | 16,619 |
| Office equipment | 3,111 | 3,500 | 389 |
| Vehicles | 2,923 | 5,000 | 2,077 |
| Water tank | 0 | 0 | 0 |
| Water distribution system | 60,312 | 55,000 | (5,312) |
| Water transmission | 5,405 | 5,500 | 95 |
| Water meters | 0 | 2,000 | 2,000 |
| Tax collection commission | 7,830 | 10,000 | 2,170 |
| Telephone | 8,417 | 9,000 | 583 |
| Training school | 326 | 500 | 174 |
| Travel and other | 0 | 500 | 500 |
| Utilities | 41,133 | 40,000 | (1,133) |
| Total General and Administrative | <u>245,402</u> | <u>300,800</u> | <u>55,398</u> |
| DEPRECIATION | | | |
| Depreciation and amortization | 245,139 | 40,000 | (205,139) |
| Depreciation on contributed assets | 226,133 | 225,000 | (1,133) |
| Total Depreciation | <u>471,272</u> | <u>265,000</u> | <u>(206,272)</u> |
| TOTAL OPERATING EXPENSES | <u>\$ 1,073,295</u> | <u>\$ 928,285</u> | <u>\$ (145,010)</u> |

TOWN OF GRAND ISLE

**WATERWORKS UTILITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF
RESTRICTED ASSET FUNDS
FOR THE YEAR ENDED JUNE 30, 2001**

WATER PIPELINE CONSTRUCTION FUND

| | | |
|--|----|------------------|
| Cash and cash equivalents at June 30, 2000 | \$ | <u>2,007,153</u> |
| Receipts | | |
| Proceeds of Grant Anticipation Notes | | 712,500 |
| Refund of interest on Bond Anticipation Notes | | 69,861 |
| Refund of bond issue costs | | 1,635 |
| Interest | | 28,773 |
| Total Receipts | | <u>812,769</u> |
| Disbursements | | |
| Payments to construction company on behalf of Jefferson Parish | | 130,025 |
| Construction costs of water pipeline - Phase 1, 2, 3 | | 835,882 |
| Construction costs of water transmission line - Phase 4 | | 328,656 |
| Purchase of boat | | 25,000 |
| Total Disbursements | | <u>1,319,563</u> |
| Cash and cash equivalents at June 30, 2001 | \$ | <u>1,500,359</u> |

WATER PIPELINE DEBT SERVICE - SINKING FUND

| | | |
|---|----|----------------|
| Cash and cash equivalents at June 30, 2000 | \$ | <u>146,211</u> |
| Receipts | | |
| Transfers from Waterworks Utility Fund | | 438,188 |
| Interest and bank charges | | 6,495 |
| Total Receipts | | <u>444,683</u> |
| Disbursements | | |
| Payment of principal on Water Revenue Bonds | | 0 |
| Payment of interest on Water Revenue Bonds | | 438,188 |
| Total Disbursements | | <u>438,188</u> |
| Cash and cash equivalents at June 30, 2001 | \$ | <u>152,706</u> |

WATER PIPELINE DEBT SERVICE - RESERVE FUND

| | | |
|--|----|---------------|
| Cash and cash equivalents at June 30, 2000 | \$ | <u>7,324</u> |
| Receipts | | |
| Transfers from Waterworks Utility Fund | | 21,912 |
| Interest and bank charges | | 577 |
| Total Receipts | | <u>22,489</u> |
| Cash and cash equivalents at June 30, 2001 | \$ | <u>29,813</u> |

(CONTINUED)

TOWN OF GRAND ISLE

**WATERWORKS UTILITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF
RESTRICTED ASSET FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2001**

WATER PIPELINE - RESERVE FOR DEPRECIATION AND CONTINGENCIES

| | | |
|--|----|---------------|
| Cash and cash equivalents at June 30, 2000 | \$ | <u>7,309</u> |
| Receipts | | |
| Transfers from Waterworks Utility Fund | | 21,912 |
| Interest and bank charges | | 998 |
| Total Receipts | | <u>22,910</u> |
| Cash and cash equivalents at June 30, 2001 | \$ | <u>30,219</u> |

WATER METER DEPOSIT FUND

| | | |
|--|----|---------------|
| Cash and cash equivalents at June 30, 2000 | \$ | <u>90,164</u> |
| Receipts | | |
| Meter deposits | | 5,222 |
| Interest and bank charges | | 0 |
| Total Receipts | | <u>5,222</u> |
| Disbursements | | |
| Refunds to customers | | 0 |
| Total Disbursements | | <u>0</u> |
| Cash and cash equivalents at June 30, 2001 | \$ | <u>95,386</u> |

SUMMARY OF CASH AND CASH EQUIVALENTS - RESTRICTED ASSETS

| | | |
|---|----|------------------|
| Water Pipeline Construction Fund | \$ | 1,500,359 |
| Water Pipeline Debt Service - Sinking Fund | | 152,706 |
| Water Pipeline Debt Service - Reserve Fund | | 29,813 |
| Water Pipeline - Reserve for Depreciation and Contingencies | | 30,219 |
| Water Meter Deposit Fund | | 95,386 |
| Total | \$ | <u>1,808,483</u> |

TOWN OF GRAND ISLE, LOUISIANA

**GAS UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|---|-------------------|-------------------|---|
| OPERATING REVENUES | | | |
| Gas sales | \$ 194,575 | \$ 200,000 | \$ (5,425) |
| Service charges | 720 | 400 | 320 |
| Installation charges | 1,765 | 1,500 | 265 |
| Delinquent penalties | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 |
| Total Operating Revenues | <u>197,060</u> | <u>201,900</u> | <u>(4,840)</u> |
| OPERATING EXPENSES | | | |
| Personal services | 40,512 | 43,240 | 2,728 |
| Contracted services | 171,167 | 170,000 | (1,167) |
| Materials and supplies | 4,637 | 5,600 | 963 |
| General and administrative | 40,287 | 53,900 | 13,613 |
| Depreciation and amortization | 10,529 | 10,000 | (529) |
| Depreciation on contributed assets | 0 | 0 | 0 |
| Total Operating Expenses | <u>267,132</u> | <u>282,740</u> | <u>15,608</u> |
| OPERATING INCOME (LOSS) | <u>(70,072)</u> | <u>(80,840)</u> | <u>10,768</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Interest income | 246 | 0 | 246 |
| Interest expense | 0 | 0 | 0 |
| Ad valorem taxes | 19,389 | 33,131 | (13,742) |
| Total Non-Operating Revenues (Expenses) | <u>19,635</u> | <u>33,131</u> | <u>(13,496)</u> |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | <u>(50,437)</u> | <u>(47,709)</u> | <u>(2,728)</u> |
| OPERATING TRANSFERS IN | 0 | 0 | 0 |
| OPERATING TRANSFERS OUT | 0 | 0 | 0 |
| NET INCOME (LOSS) | <u>(50,437)</u> | <u>(47,709)</u> | <u>(2,728)</u> |
| RETAINED EARNINGS | | | |
| Beginning of Year | 219,608 | 219,608 | 0 |
| End of Year | <u>\$ 169,171</u> | <u>\$ 171,899</u> | <u>\$ (2,728)</u> |

TOWN OF GRAND ISLE, LOUISIANA

**GAS UTILITY FUND
SCHEDULE OF OPERATING EXPENSES - ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| | <u>ACTUAL</u> | <u>BUDGET</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|---------------------------------------|--------------------------|--------------------------|---|
| PERSONAL SERVICES | | | |
| Salaries | \$ 30,314 | \$ 32,500 | \$ 2,186 |
| Payroll taxes | 2,291 | 2,540 | 249 |
| Insurance -workmen's compensation | 2,605 | 2,800 | 195 |
| Insurance - hospitalization and other | 5,302 | 5,400 | 98 |
| Total Personal Services | <u>40,512</u> | <u>43,240</u> | <u>2,728</u> |
| CONTRACTED SERVICES | | | |
| Gas purchases | <u>171,167</u> | <u>170,000</u> | <u>(1,167)</u> |
| Total Contracted Services | <u>171,167</u> | <u>170,000</u> | <u>(1,167)</u> |
| MATERIALS AND SUPPLIES | | | |
| Installation materials and labor | 4,196 | 5,000 | 804 |
| Small tools and supplies | 441 | 600 | 159 |
| Total Material and Supplies | <u>4,637</u> | <u>5,600</u> | <u>963</u> |
| GENERAL AND ADMINISTRATIVE | | | |
| Audit | 894 | 900 | 6 |
| Bank charges | 50 | 0 | (50) |
| Insurance - general and auto | 6,813 | 7,500 | 687 |
| Interdepartmental administrative fee | 6,000 | 6,000 | 0 |
| Leak survey | 2,240 | 3,000 | 760 |
| Legal and professional | 0 | 300 | 300 |
| Miscellaneous | 326 | 400 | 74 |
| Office and janitorial supplies | 491 | 500 | 9 |
| Postage | 410 | 1,000 | 590 |
| Repairs and maintenance | | | |
| Gas distribution | 18,410 | 25,000 | 6,590 |
| Office equipment | 0 | 200 | 200 |
| Vehicles | 0 | 1,000 | 1,000 |
| Gas meters | 2,695 | 6,200 | 3,505 |
| Tax collection commission | 1,958 | 1,700 | (258) |
| Training school | 0 | 100 | 100 |
| Travel and other | 0 | 100 | 100 |
| Total General and Administrative | <u>40,287</u> | <u>53,900</u> | <u>13,613</u> |
| DEPRECIATION | | | |
| Depreciation and amortization | <u>10,529</u> | <u>10,000</u> | <u>(529)</u> |
| Total Depreciation | <u>10,529</u> | <u>10,000</u> | <u>(529)</u> |
| TOTAL OPERATING EXPENSES | \$ <u>267,132</u> | \$ <u>282,740</u> | \$ <u>15,608</u> |

AGENCY FUNDS

Agency funds are used to account for assets held by the Town as an agent for individuals, private organizations, other governments and/or other funds.

GRAND ISLE RELIEF FUND

Used to account for contributions held on behalf of the victims of the April 1993 tornado. The funds will be disbursed to families in need pending approval of relief applications.

TOWN OF GRAND ISLE, LOUISIANA

**AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001**

| | <u>GRAND ISLE RELIEF</u> | <u>TOTAL</u> |
|---|------------------------------|-----------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 7,736 | \$ 7,736 |
| TOTAL ASSETS | <u>\$ 7,736</u> | <u>\$ 7,736</u> |
| LIABILITIES AND FUND BALANCES | | |
| LIABILITIES | | |
| Due to taxing bodies and others | \$ 0 | \$ 0 |
| Relief funds payable | 7,736 | 7,736 |
| Total Liabilities | <u>7,736</u> | <u>7,736</u> |
| FUND BALANCE | <u>0</u> | <u>0</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 7,736</u> | <u>\$ 7,736</u> |

TOWN OF GRAND ISLE, LOUISIANA

AGENCY FUNDS

COMBINING SCHEDULE OF CHANGES IN DEPOSIT BALANCES

DUE TO OTHERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

| | <u>GRAND ISLE RELIEF</u> | <u>TOTAL</u> |
|--|------------------------------|-----------------|
| DEPOSIT BALANCES DUE TO OTHERS AT JUNE 30, 2000 | \$ 7,565 | \$ 7,565 |
| COLLECTIONS | | |
| Deposits: | | |
| Interest income | 171 | 171 |
| Total Collections | <u>171</u> | <u>171</u> |
| DISTRIBUTIONS | | |
| Deposits settled to: | | |
| Town of Grand Isle General Fund | 0 | 0 |
| Disaster victims and vendors | 0 | 0 |
| Capital outlay - radio room furniture | 0 | 0 |
| Total Distributions | <u>0</u> | <u>0</u> |
| DEPOSIT BALANCES DUE TO OTHERS AT JUNE 30, 2001 | \$ <u>7,736</u> | \$ <u>7,736</u> |

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SUPPLEMENTARY INFORMATION

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TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF PAYMENTS TO ALDERMEN
For the Fiscal Year Ended June 30, 2001**

| <u>ALDERMEN</u> | <u>AMOUNT</u> |
|------------------|------------------|
| Ray Santiny | \$ 5,237 |
| Euris Dubois | 5,237 |
| Roger Camardelle | 5,237 |
| Leoda Bladsacker | 420 |
| Kevin Delcambre | 4,817 |
| Carroll Allemand | 5,237 |
| | |
| TOTAL | <u>\$ 26,185</u> |

**TOWN OF GRAND ISLE
SCHEDULE OF CASH AND CASH EQUIVALENTS
June 30, 2001**

| <u>FUND/ACCOUNT</u> | <u>BANK</u> | <u>6/30/2001 BANK BALANCE</u> | <u>6/30/2001 BOOK BALANCE</u> |
|--|----------------------|---------------------------------------|---------------------------------------|
| GENERAL FUND | | | |
| CASH AND CHECKING | | | |
| Petty cash | | \$ 0 | \$ 100 |
| Operating | South LaFourche Bank | 148,867 | 135,549 |
| Accounts payable | South LaFourche Bank | 6,122 | 3,240 |
| Payroll | South LaFourche Bank | 14,675 | 614 |
| Appearance Bonds | Community Bank | 23,220 | 20,100 |
| | | <u>192,884</u> | <u>159,603</u> |
| LOUISIANA ASSET MANAGEMENT POOL | | | |
| General Fund Accounts | | <u>459,951</u> | <u>459,951</u> |
| TOTAL GENERAL FUND | | \$ <u>652,835</u> | \$ <u>619,554</u> |
| SPECIAL REVENUE | | | |
| CASH AND CHECKING | | | |
| Recreation Fund | State Bank | \$ 11,222 | \$ 11,222 |
| Community Center | South LaFourche Bank | 53,031 | 50,283 |
| Riverboat Gambling | South LaFourche Bank | 29,421 | 29,421 |
| Mosquito Control | South LaFourche Bank | 12,756 | 4,421 |
| Seizure and Forfeiture | South LaFourche Bank | 5,863 | 5,863 |
| Erosion Control | South LaFourche Bank | 45,637 | 45,637 |
| | | <u>157,930</u> | <u>146,847</u> |
| LOUISIANA ASSET MANAGEMENT POOL | | | |
| Mosquito Control | | 5,120 | 5,120 |
| Community Center | | 137,283 | 137,283 |
| Riverboat Gambling Admission Fees | | 106,265 | 106,265 |
| | | <u>248,668</u> | <u>248,668</u> |
| TOTAL SPECIAL REVENUE FUNDS | | \$ <u>406,598</u> | \$ <u>395,515</u> |

(continued)

TOWN OF GRAND ISLE
SCHEDULE OF CASH AND CASH EQUIVALENTS (CONTINUED)
June 30, 2001

| FUND/ACCOUNT | BANK | 6/30/2001 BANK BALANCE | 6/30/2001 BOOK BALANCE |
|--|----------------------|------------------------------|------------------------------|
| PROPRIETARY FUND | | | |
| Waterworks - Unrestricted | | | |
| CASH AND CHECKING | | | |
| Water | South LaFourche Bank | \$ 90,007 | \$ 50,342 |
| Operating (O&M) | Hibernia | 43,881 | 47,437 |
| Petty Cash Drawer | | 0 | 100 |
| | | <u>133,888</u> | <u>97,879</u> |
| LOUISIANA ASSET MANAGEMENT POOL | | | |
| Water | | 75,363 | 75,363 |
| Water - restricted | | 43,493 | 43,493 |
| | | <u>118,856</u> | <u>118,856</u> |
| Total Unrestricted | | <u>252,744</u> | <u>216,735</u> |
| Waterworks - Restricted | | | |
| CASH AND CHECKING | | | |
| Meter Deposit | BankOne | 3,508 | 3,173 |
| Waterpipeline - Construction | South LaFourche Bank | 1,500,359 | 1,500,359 |
| Waterpipeline - Sinking | South LaFourche Bank | 3,868 | 3,868 |
| Waterpipeline - Reserve | South LaFourche Bank | 13,077 | 13,077 |
| | | <u>1,520,812</u> | <u>1,520,477</u> |
| LOUISIANA ASSET MANAGEMENT POOL | | | |
| Meter Deposit | | 92,213 | 92,213 |
| Waterpipeline - Sinking | | 148,838 | 148,838 |
| Waterpipeline - Reserve | | 16,736 | 16,736 |
| Waterpipeline - Depreciation and Contingencies | | 30,219 | 30,219 |
| | | <u>288,006</u> | <u>288,006</u> |
| Total Restricted | | <u>1,808,818</u> | <u>1,808,483</u> |
| Total Waterworks Fund | | <u>2,061,562</u> | <u>2,025,218</u> |
| Gas Fund | | | |
| CASH AND CHECKING | | | |
| Gas Operating | South LaFourche Bank | 3,223 | 2,707 |
| TOTAL PROPRIETARY FUNDS | | <u>\$ 2,064,785</u> | <u>\$ 2,027,925</u> |
| TRUST & AGENCY | | | |
| CASH AND CHECKING | | | |
| Grand Isle Relief Fund | South LaFourche Bank | \$ 7,736 | \$ 7,736 |
| TOTAL TRUST & AGENCY | | <u>\$ 7,736</u> | <u>\$ 7,736</u> |
| GRAND TOTAL | | <u>\$ 3,131,954</u> | <u>\$ 3,050,730</u> |

TOWN OF GRAND ISLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE | FEDERAL CFDA NUMBER | GRANT/PROJECT NUMBER | GRANT PERIOD | | GRANT AMOUNT |
|--|---------------------------|-----------------------------|--------------------|-----------|-----------------|
| | | | FROM | TO | |
| PASSED THROUGH GRANTS: | | | | | |
| FEDERAL HIGHWAY ADMINISTRATION | | | | | |
| Passed through Louisiana Office of Rural Development | | | | | |
| National Recreational Trails Fund | 20.Unknown | 99-LRT-JFN-0101 | 29-Oct-99 | 31-Dec-00 | 43,600 |
| TOTAL DEPARTMENT OF EDUCATION | | | | | |
| DEPARTMENT OF JUSTICE | | | | | |
| Passed through Louisiana Commission on Law Enforcement | | | | | |
| Local Law Enforcement Block Grant Program - 800 MHz Radios | 16.592 | Z98-7-006 | 01-Apr-00 | 30-Sep-00 | 12,494 (1) |
| Local Law Enforcement Block Grant Program - Equipment | 16.592 | Z99-7-003 | 01-Mar-01 | 30-Sep-01 | 13,619 (1) |
| TOTAL DEPARTMENT OF JUSTICE | | | | | |
| DEPARTMENT OF AGRICULTURE | | | | | |
| Passed through Louisiana Local Government Facility Planning | | | | | |
| Water Act 2000 - Lafitte to Grand Isle Waterline Project Loans | 10.Unknown | (M) Case #22-026-0726014896 | Project Completion | | 9,225,000 (2) |
| TOTAL DEPARTMENT OF AGRICULTURE | | | | | |
| TOTAL FEDERAL PASS-THROUGH PROGRAMS | | | | | |

NOTES TO SCHEDULE

This schedule was prepared on the accrual basis of accounting and covers the period from July 1, 2000 to June 30, 2001.

- (1) Amount represents federal share only. Town is required to provide a 10 percent match.
- (2) Amount represents a federal loan, not a grant. The Town is matching the loan with funds received from a State Capital Outlay appropriation and other funds.
- (M) Represents a major grant under OMB Circular A-133.

| ACCRUED (DEFERRED) REVENUE JUNE 30, 2000 | CASH RECEIVED | | ACCRUED (DEFERRED) REVENUE JUNE 30, 2001 | TOTAL REVENUE RECOGNIZED | EXPENDITURES | | TOTAL EXPENDITURES |
|---|------------------|-------------------|---|--------------------------------|-------------------|-------------------|-----------------------|
| | GRANT | OTHER | | | FEDERAL | OTHER | |
| 0 | 43,600 | 53,002 | 0 | 96,602 | 43,600 | 53,002 | 96,602 |
| <u>0</u> | <u>43,600</u> | <u>53,002</u> | <u>0</u> | <u>96,602</u> | <u>43,600</u> | <u>53,002</u> | <u>96,602</u> |
| 3,414 | 11,244 | 1,250 | 0 | 9,080 | 7,830 | 1,250 | 9,080 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>3,414</u> | <u>11,244</u> | <u>1,250</u> | <u>0</u> | <u>9,080</u> | <u>7,830</u> | <u>1,250</u> | <u>9,080</u> |
| 0 | 0 | 379,689 | 0 | 379,689 | 317,870 | 379,998 | 697,868 |
| <u>0</u> | <u>0</u> | <u>379,689</u> | <u>0</u> | <u>379,689</u> | <u>317,870</u> | <u>379,998</u> | <u>697,868</u> |
| <u>3,414</u> | <u>54,844</u> | <u>433,941</u> | <u>0</u> | <u>485,371</u> | <u>369,300</u> | <u>434,250</u> | <u>803,550</u> |
| \$ <u>3,414</u> | \$ <u>54,844</u> | \$ <u>433,941</u> | \$ <u>0</u> | \$ <u>485,371</u> | \$ <u>369,300</u> | \$ <u>434,250</u> | \$ <u>803,550</u> |

TOWN OF GRAND ISLE

**SCHEDULE OF STATE FUNDING
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

| <u>DESCRIPTION OF FUNDING</u> | <u>AMOUNT</u> |
|--|--------------------------|
| Department of Treasury - Tax Allocations | |
| Tobacco Tax | \$ 0 |
| Beer Tax | 7,105 |
| Parish Transportation Funds | 50,000 |
| Video Poker Allocation | 34,867 |
| Grand Isle Tourist Commission Enterprise Tax | 8,438 |
| | <u>100,410</u> |
| Louisiana Commission on Law Enforcement Grants | |
| Act 562 - Equipment Grant (P00-7-001) | 0 |
| DARE (E99-7-001) | 0 |
| DARE (E00-7-001) | 0 |
| | <u>0</u> |
| Department of Culture, Recreation & Tourism | |
| Beach Clean-up Appropriation | 0 |
| Governor's Office of Rural Development | |
| Community Center Improvements Grant (#9899-JFN-0101) | <u>6,800</u> |
| Department of Military Affairs | |
| Interim Emergency Board - Water Shortage 8/99 | <u>0</u> |
| Department of Transportation and Development | |
| Highway 1 - Maintenance Agreement | <u>12,756</u> |
| State Capital Outlay Program | |
| Lafitte to Grand Isle Waterline - Phase 1, 2, 3 (Project No. 50-MB1-97B-1) | 45,982 |
| Lafitte to Grand Isle Waterline - Phase 4 (Project No. 50-MB1-97B-1) | 333,705 |
| | <u>379,687</u> |
| TOTAL | \$ <u>499,653</u> |

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2001

(UNAUDITED)

| <u>TYPE OF POLICY/RISKS COVERED</u> | <u>POLICY NO.</u> | <u>INSURER</u> | <u>EXPIRATION DATE</u> |
|---|-------------------|---|------------------------|
| Physical Damage - Water Pipeline Limit of Liability - \$12,825,000 Deductible - \$25,000 windstorm Deductible - \$10,000 other claims | PST 749531 | Reliance National Insurance Company | 3/10/2002 |
| Fidelity Bonds - others | 005613505 | Continental Casualty | 3/1/2002 |
| Fidelity Bonds - treasurer | 142232835 | Continental Casualty | 3/26/2002 |
| Fire | CPF 0049103-03 | LA Insurance Underwriter | 6/30/2002 |
| Flood Insurance - general | CC170007632916 | Banker's Insurance | 7/21/2001 |
| Flood Insurance - warehouse | CC170007804041 | Banker's Insurance | 8/1/2001 |
| Flood Insurance - city hall | CC170007804042 | Banker's Insurance | 8/1/2001 |
| Flood Insurance - pump station #4 | CC170007804035 | Banker's Insurance | 8/1/2001 |
| Flood Insurance - pump station #3 | CC170007804101 | Banker's Insurance | 8/1/2001 |
| Flood Insurance - pump station #2 | CC170007806269 | Banker's Insurance | 12/13/2001 |
| Flood Insurance - pump station #1 | CC170007804105 | Banker's Insurance | 8/1/2001 |
| Flood Insurance - pump station - LA 1 | CC170007806268 | Banker's Insurance | 12/13/2001 |
| Umbrella Excess Liability Commercial General Liability General Total - \$2,000,000 Products and Completed Work - \$2,000,000 Personal Injury - \$1,000,000 Advertising Injury - \$1,000,000 Each Event Limit - \$1,000,000 Premises Damage Limit - \$100,000 | GP09305592 | St. Paul Fire & Marine Insurance Company | 5/1/2002 |
| Automobile Liability Bodily Injury and Property Damage Combined - \$1,000,000 per accident | GP09305592 | St. Paul Fire & Marine Insurance Company | 5/1/2002 |
| Law Enforcement Liability Protection Total Limit - \$1,000,000 Each Wrongful Act - \$1,000,000 Each Wrongful Act Deductible - \$1,000 | GP09305592 | St. Paul Fire & Marine Insurance Company | 5/1/2002 |
| Public Entity Management Liability Protection Claims Made Total Limit - \$1,000,000 Each Wrongful Act - \$1,000,000 Each Wrongful Act Deductible - \$2,500 | GP09305592 | St. Paul Fire & Marine Insurance Company | 5/1/2002 |
| Standard Workmen's Compensation | | Louisiana Municipal Risk Management Association | |
| Hospitalization Insurance - Employees | | Louisiana Municipal Risk Management Association | |

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF WATER RATES AND CONNECTIONS
JUNE 30, 2001**

(UNAUDITED)

| <u>CLASS OF CUSTOMER</u> | <u>(1) MINIMUM RATE</u> | <u>RATE AFTER FIRST 30 UNITS</u> | <u># OF CONNECTIONS</u> |
|--------------------------|---------------------------------|--------------------------------------|-----------------------------|
| Residential | \$6.50 for 30 units | \$3.50 per 1,000 gallons | 510 |
| Non-residential | \$10.00 for 30 units | \$4.00 per 1,000 gallons | 1,326 |
| Commercial | \$10.00 for 30 units | \$4.00 per 1,000 gallons | 169 |
| Industrial | \$25.00 for 30 units | \$7.50 per 1,000 gallons | 4 |
| Elderly | \$3.25 for 30 units | \$3.50 per 1,000 gallons | 72 |
| | | | <u>2,081</u> |

(1) - one unit equals 100 gallons

SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, as of and for the fiscal year ended June 30, 2001, and have issued my report thereon dated December 3, 2001. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*. However, I did note certain immaterial instances of noncompliance that I have reported to management in a separate letter entitled "Memorandum of Advisory Comments", dated December 3, 2001.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal controls over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be a material weakness.

I did note other matters involving the internal control over financial reporting that I have reported to the management of the Town in a separate letter entitled "Memorandum of Advisory Comments", dated December 3, 2001.

This report is intended for the information of the Town's, management, all applicable Federal and State awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Paul C. Rinier, CPA

December 3, 2001

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

Compliance

I have audited the compliance of the Town of Grand Isle, Louisiana (the "Town") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. The Town's major federal programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. My responsibility is to express an opinion on the Town's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Town's compliance with those requirements.

In my opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control over Compliance

The management of the Town is responsible for establishing and maintaining an effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weakness. 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the Town's, management, all applicable Federal and State awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Paul C. Riney, CPA

December 3, 2001

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Fiscal Year Ended June 30, 2001

SUMMARY OF AUDITOR'S RESULTS

- The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Town of Grand Isle, Louisiana (the "Town"), as of and for the year ended June 30, 2001.
- No reportable conditions related to the audit of the financial statements are reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit in Accordance With *Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Town are reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit in Accordance With *Government Auditing Standards*.
- No reportable condition relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
- The auditor's report on compliance for the major federal award programs for the Town expresses an unqualified opinion on all major federal programs.
- There are no findings relative to the major federal awards programs for the Town that require disclosure in this schedule.
- The programs tested as major federal award programs include:

| <u>CFDA</u> | <u>Program Name</u> |
|-------------|---|
| 10.Unknown | U. S. Department of Agriculture, Department of Rural Utilities Services - Water Act 2000 - Lafitte to Grand Isle Waterline Loan |

- The threshold for determining Type A and Type B programs was \$300,000 (although it should be noted that the Lafitte to Grand Isle Waterline project is "loan" and not a grant).
- The Town was considered to be a "low-risk" auditee.

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 2001**

FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Reportable Conditions

NONE

Compliance With Laws and Regulations

NONE

Status of Prior Year Findings and Conditions

| Prior Year Comment No. | Prior Year Comment | Status |
|-------------------------------|---|---|
| 00-1 | Deposits were not 100% collateralized at June 30, 2000 in accordance with LRS 39:1225.. | Comment Deleted - No exceptions noted in CY. |
| 00-2 | The Town did not adopt it's budget on a timely basis as required by LRS 39:1308. | Comment Deleted - No exceptions noted in CY. |
| 00-3 | Utility Billing Summary did not agree to the receivable in the general ledger. Appears to be a computer glitch. | Comment Deleted - Item corrected in CY. |

FINDINGS RELATING TO OMB CIRCULAR A-133

Findings and Questioned Costs - Major Federal Awards Programs

NO FINDINGS OR QUESTIONED COSTS NOTED

Status of Prior Year Findings and Questioned Costs - Major Federal Awards Programs

NO FINDINGS OR QUESTIONED COSTS NOTED IN PRIOR YEAR.

MEMORANDUM OF ADVISORY COMMENTS

TOWN OF GRAND ISLE, LOUISIANA

For the Fiscal Year Ended June 30, 2001

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**INTERNAL CONTROL
AND RELATED MATTERS**

Paul C. Rivera, CPA

2612 Crestway Road
Marrero, Louisiana 70072

(504) 371-4390

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the fiscal year ended June 30, 2001, and have issued my reports thereon dated December 3, 2001. As part of my audit, I considered the Town's internal control over financial reporting in order to determine the nature, timing, and extent of my auditing procedures for the purpose of expressing an opinion on the financial statements, and not to provide assurance on the internal control.

Reportable conditions which may have been noted during my consideration of the internal control over financial reporting have been reported on in a separately issued report, entitled "Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based on an Audit Performed in Accordance with *Government Auditing Standards*".

This memorandum summarizes various other matters which have come to my attention. While not involving reportable conditions, these matters do present opportunities for strengthening the internal control structure and improving the operating efficiency of the Town.

I have already discussed these comments and suggestions with the Town's administrative personnel and have included their responses. I will be pleased to discuss these comments and suggestions with you in further detail at your convenience, perform an additional study of these matters, or assist you in implementing the recommendations.

Paul Rivera, CPA

December 3, 2001

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS For the Fiscal Year Ended June 30, 2001

PROTECTING THE ASSETS OF THE TOWN

01-1. COMMENT

As noted in the prior year, the Town does not maintain a formal in-house general ledger on its fixed assets. Instead, they have relied on the listing maintained by the Town CPA. While this listing can be assumed to be reliable, it is not maintained on a timely basis. It is updated annually during the audit. The Town does maintain an informal listing of items with tag numbers, however, this listing does not agree to the amounts recorded in the general fixed asset account group.

RECOMMENDATION

The Town should reconcile the figures from the audit workpapers and the tagged item listing and establish a true fixed asset ledger. This would include taking an inventory of all assets. This ledger should include the purchase date of the asset, the cost, the funding source, a brief description of the asset, a serial number if available, and the location/department to which the asset is assigned. This ledger should be updated periodically during the year to account for additions and deletions.

RESPONSE

With the construction of our new waterline occurring this past year, we were unable to devote the time and manpower necessary to resolve this comment. We will, however, review this with our CPA to determine when this can be accomplished. In anticipation of the implementation of GASB Statement No. 34, we anticipate having it done before the end of the June 30, 2002 fiscal year.

TOWN OF GRAND ISLE, LOUISIANA
COMMENTS AND SUGGESTIONS (CONTINUED)
For the Fiscal Year Ended June 30, 2001

INCREASING REVENUES AND CASH FLOWS

01-2 COMMENT

During my analytical procedures, I noted several instances where the Town is providing a particular service to the residents but apparently is not recovering its cost. The three main areas of concern are Sanitation, Mosquito and Gas. A breakdown of the revenues and expenditures of these departments for the last two years is presented below.

| Fund/Department | June 30, 2001 | June 30, 2000 |
|--------------------------------|---------------|---------------|
| General Fund/Sanitation | | |
| Revenues | \$ 281,985 | \$ 278,124 |
| Expenditures | 338,568 | 322,663 |
| Excess (Deficit) | (56,583) | (44,539) |
| Mosquito Fund | | |
| Revenues | 78,262 | 42,118 |
| Expenditures | 75,055 | 55,274 |
| Excess (Deficit) | 3,207 | (13,156) |
| Gas Utilities Fund | | |
| Revenues | 216,695 | 180,290 |
| Expenses | 267,132 | 177,823 |
| Net Income (Loss) | (50,437) | 2,467 |

As can be seen from the table, all three funds have had deficits at least once in the past two years. The Sanitation Department has run significant deficits in each of the past two years. The Mosquito Fund has been experiencing cash flow problems due to the increased amount of spraying and larvaciding over the past year. The Gas fund had an extremely bad year due to large increases in the cost of natural gas this past year - at times, the cost for a MMBTU was over \$10.00.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Fiscal Year Ended June 30, 2001

INCREASING REVENUES AND CASH FLOWS (CONTINUED)

RECOMMENDATION

The Town should review the rate structures being charged for each of the services noted and determine whether a rate increase is warranted. This is especially true in the case of the Gas Utilities Fund. The Town should look into charging the residents a surcharge of some kind when the cost of gas skyrockets as it did this past year. Perhaps an annual CPI increase could be built into the rate structure, similar to what the Parish does with its water and garbage bills. A closer look at the cost side of the equation would also be warranted.

RESPONSE

We have already looked at the Sanitation Department operations this past year and have signed a new fixed rate contract with the hauling company. By privatizing the picking up of garbage, we have been able to free up money previously spent on salaries, maintenance and capital outlays. We will continue to monitor this Department closely.

The Mosquito Fund is in the process of being looked at. We raised the monthly charge from \$1.00 to \$2.00 in September 2000. This increase essentially doubled the revenues of this fund. As you noted, this fund has experienced a tremendous increase in expenditures due to the past two seasons being unusually heavy. We will continue to monitor this Department, as well.

As for the Gas Utilities Fund, the cost side of the equation is really out of our hands due to our contract with the LMA Gas Authority. We will, however, look into adjusting the rate structure to help ease the burden on the Town when the cost does go up so high.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Fiscal Year Ended June 30, 2001

IMPROVING FINANCIAL REPORTING

01-3. COMMENT

As noted in the prior year, the Town currently bills residents for cutting grass on private property. These bills come in the form of an invoice and/or a lien on the property. While the receivable has been recorded upon issuance of an invoice or lien, the receipts have not been posted against the receivable. As such, there is a potential for a misstatement of the balance due.

RECOMMENDATION

The Town should reconcile the list of grass liens outstanding to the general ledger. Any collections should be monitored to determine whether the receivable or revenue account should be credited.

RESPONSE

The Town Treasurer will review the grass liens outstanding and make any adjustments necessary. We anticipate having this corrected prior to the end of the June 30, 2002 fiscal year.

01-4. COMMENT

Although the Town is not required to adopt a budget for the Waterworks and Gas Utilities Funds, it does so to help improve managements control over these funds. Since the completion of the new water pipeline, the assets of the Waterworks Fund have increased dramatically. As such, the depreciation expense incurred by the Fund this past year exceeded \$250,000 (\$471,000 actual, less \$226,000 attributed to contributed assets). The budget adopted by the Town only allowed an expense of \$40,000.

RECOMMENDATION

The Town's budget should be amended for the year ended June 30, 2002 to include an appropriate amount for depreciation expense (approximately \$250,000).

RESPONSE

This will be done.

TOWN OF GRAND ISLE, LOUISIANA
COMMENTS AND SUGGESTIONS (CONTINUED)
For the Fiscal Year Ended June 30, 2001

GENERAL COMMENTS

01-5. COMMENT

The Government Accounting Standards Board (GASB) has issued Statement No. 34, which significantly changes the way governments account for and report on their financial activity. The Statement goes into effect for the Town of Grand Isle for the fiscal year ended June 30, 2004.

There are many other changes needed to comply with GASB Statement No. 34. A brief description of some of the major changes in accounting and financial reporting are as follows:

- Fixed assets will now be recorded on the face of the applicable fund's balance sheet and depreciation expense will be incurred for the first time in governmental funds.
- The Town's "infrastructure" assets (e.g., roads, bridges, drainage, levees, etc.) will have to be capitalized and depreciated for the first time ever.
- The report will include original budgets, as well as amended budgets.
- The report will include a government-wide financial statement on the full-accrual basis, as well as the traditional fund statements.
- The government will include a "managements discussion and analysis" statement in the front of the financial statements highlighting the events and financial activity of the year.

RECOMMENDATION

Because of the complexities of implementing GASB Statement No. 34, the Town should meet with its CPA as soon as possible to develop an implementation plan, particularly with respect to fixed assets and infrastructure.

RESPONSE

We will begin discussions with our Town CPA this fiscal year.

**COMPLIANCE WITH LAWS
AND REGULATIONS**

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the fiscal year ended June 30, 2001, and have issued my reports thereon dated December 3, 2001. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions.

Material instances of noncompliance, if any, are reported on in a separately issued report, entitled "Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based on an Audit Performed in Accordance with Government Auditing Standards". The attached schedule of noncompliance with laws and regulations includes certain immaterial instances of noncompliance noted as a result of the items tested.

I have already discussed these findings with the Town's administrative personnel and have included their responses. I will be pleased to discuss these comments with you in further detail at your convenience or to perform any additional study of these matters.

Paul Rivera, CPA

December 3, 2001

TOWN OF GRAND ISLE, LOUISIANA
SCHEDULE OF NONCOMPLIANCE WITH
LAWS AND REGULATIONS
For the Fiscal Year Ended June 30, 2001

- 00-1. Article 7 § 20 of the 1974 Constitution prohibits municipalities from applying a homestead exemption to their tax bill. During my testing of ad valorem tax revenues, I noted that the Town is levying 12.15 mills on the property within the Town and is allowing a homestead exemption of \$2,500 on assessed property.

RESPONSE

We are aware of this situation and have already taken steps to make sure that the 2001 tax roll does not include an exemption. This exemption was put in place by a previous administration and has been in place for several years. The total amount of taxes "lost" to this exemption is approximately \$9,000 and is considered immaterial. The exemption was in place on the 2000 tax roll because last year we were informed of the prohibition after the tax rolls had already been filed.

**STATUS OF PRIOR YEAR
COMMENTS AND FINDINGS**

TOWN OF GRAND ISLE, LOUISIANA

STATUS OF PRIOR YEAR COMMENTS AND FINDINGS

June 30, 2001

| Prior Year Comment No. | Prior Year Comment | Status |
|-------------------------------|---|--|
| 00-1. | The Town should maintain its own fixed asset ledger and reconcile tagged item on a timely basis. | See CY Comment No. 01-1. |
| 00-2. | The Town should reconcile the list of grass liens outstanding. | See CY Comment No. 01-2 |
| 00-3. | The Town should put it's grant folders in better order. | Comment deleted - The Town's grant folders are being properly maintained. |
| 00-4. | Computer storage capability needs upgrading. | Comment deleted - The Town upgraded the system in July 2001. |
| Compliance Finding No. 00-1. | The Town was in violation of the Solid Waste Rules and Regulations. | Comment deleted - The Town is in compliance. |
| Compliance Finding No. 00-2. | The Town was in violation of Article 7 § 20 of the 1974 Constitution by allowing a\$2,500 homestead exemption on the property taxes levied by the Town. | See CY Compliance Finding 01-1. |