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TOWN OF GRAMERCY, LOUISIANA  
FINANCIAL REPORT  
JUNE 30, 1997

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Release Date 02-22-98



TOWN OF GRAMERCY, LOUISIANA

FINANCIAL REPORT

JUNE 30, 1997



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# Postlethwaite & Notterville

A Professional Accounting Firm  
CERTIFIED PUBLIC ACCOUNTANTS

8000 WOODHOLM BLVD., SUITE 1001 • NAT. GROVEVILLE, LOUISIANA 70002 • TELEPHONE (504) 964-6600 • FAX (504) 964-4011

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members  
of the Board of Aldermen  
Town of Gramercy, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Gramercy, Louisiana, as of and for the year ended June 30, 1997. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Gramercy as of June 30, 1997, and the results of its operations of its governmental funds for the year then ended and the results of its operations and cash flows of its proprietary funds for the two years ended June 30, 1996 and 1995, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 18, 1997, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial statements of the individual funds and account groups and the other supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Gramercy. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole, except for that information relating to the number of customers serviced by the water and sewer systems. This information was furnished to us from the Town, and we express no opinion on it.

Robert M. Notterville  
Baton Rouge, Louisiana  
September 30, 1997



# Postlethwaite & Netterville

A Professional Accounting Corporation  
CERTIFIED PUBLIC ACCOUNTANTS

8049 ENTERED PLAZA BOYD, SUITE 1307 • BAYTOWN BRIDGE, LOUISIANA 70009 • TELEPHONE (504) 897-8888 • FAX (504) 897-4111

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

To the Honorable Mayor and Members  
of the Board of Aldermen  
Town of Gramercy, Louisiana

We have audited the general purpose financial statements of the Town of Gramercy, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated September 30, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the Town of Gramercy's general purpose financial statements are free of material misstatement, we performed tests of the 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 these provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town of Gramercy's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Finding:	The segregation of duties is inadequate to provide effective internal control.
Cause:	The condition is due to economic and space limitations.
Recommendation:	No action recommended.
Management's Response:	We concur with the finding.

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

This report is intended for the information of the Board of Aldermen, management of the Town of Gramercy, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Robert S. Stephens, CPA*

Denon Range, Louisiana  
September 10, 1997



**TOWN OF GRAMERCY, LOUISIANA**  
**ALL FUND TYPES AND ACCOUNT GROUPS**

**COMBINED BALANCE SHEET**  
**JUNE 30, 1997**

ASSETS	Governmental Fund Type	
	General	Debt Service
	\$	\$
Cash	150,700	-
Investments	453,080	74,554
Accounts receivable (net of allowance for uncollectible amounts of \$5,381)	-	-
Property taxes receivable	-	884
Other amounts receivable (net of allowance for uncollectible amounts of \$3,809)	34,874	-
Due from other funds	(28,729)	300
Due from other governmental agencies	31,447	-
Retained assets:		
Cash and investments	-	-
General fund assets	-	-
Fixed assets (net)	-	-
Amounts to be provided for long-term debt	-	-
Amounts available in debt service funds	-	-
Total assets	\$ 689,441	\$ 75,638
LIABILITIES	\$	\$
Accounts payable	42,460	-
Customer service money deposits	-	-
Due to other funds	6,796	-
Payable from restricted assets:		
Forward interest payable	-	-
Bonds payable - current portion	-	-
Bonds payable - non-current portion	-	-
General obligation bonds payable	-	-
Other liabilities	14,506	-
Total liabilities	\$ 63,762	\$ -
FUND EQUITY		
Contributed capital (net)	-	-
Investment in general fund assets	-	-
Retained earnings:		
Reserved for reserve fund debt service	-	-
Unassigned	-	-
Fund Reserve:		
Unassigned - undesignated	187,628	28,578
Unassigned - designated for debt service	-	47,029
Total fund equity	\$ 187,628	\$ 75,607
Total liabilities and fund equity	\$ 689,441	\$ 75,638

The accompanying notes are an integral part of this statement.



Proprietary Fund Type	Account Groups		Totals	
	General Fund Assets	General Long-term Debt(Liabilities)	(Millions of Dollars)	
			1997	1996
Enterprise				
\$ 212,495	\$ -	\$ -	\$ 383,867	\$ 374,906
408,099	-	-	835,631	718,908
31,830	-	-	33,830	49,962
-	-	-	894	230
-	-	-	34,874	38,111
6,493	-	-	163,534	90,330
-	-	-	52,447	23,280
299,579	-	-	299,579	272,899
-	271,284	-	271,284	231,180
2,473,128	-	-	2,473,128	2,598,182
-	-	319,141	313,140	347,384
-	-	75,683	75,688	68,284
<u>\$ 3,471,892</u>	<u>\$ 271,284</u>	<u>\$ 388,721</u>	<u>\$ 5,058,056</u>	<u>\$ 4,924,122</u>
\$ 4,493	\$ -	\$ -	\$ 46,593	\$ 77,952
42,481	-	-	42,480	48,350
198,708	-	-	165,124	98,109
9,126	-	-	9,126	9,084
49,549	-	-	49,649	48,188
746,789	-	-	746,789	785,351
-	-	388,791	388,781	415,789
3,540	-	-	33,822	18,480
<u>1,018,818</u>	<u>-</u>	<u>388,791</u>	<u>1,487,483</u>	<u>1,485,132</u>
2,158,636	-	-	2,228,406	2,268,232
-	271,284	-	271,284	231,180
240,799	-	-	240,799	214,386
13,134	-	-	23,253	49,284
-	-	-	816,189	683,186
-	-	-	43,079	48,247
<u>1,436,380</u>	<u>271,284</u>	<u>-</u>	<u>3,598,053</u>	<u>3,348,283</u>
<u>\$ 4,471,892</u>	<u>\$ 271,284</u>	<u>\$ 388,721</u>	<u>\$ 5,058,056</u>	<u>\$ 4,924,122</u>

**TOWN OF GRABBECK, LOUISIANA  
ALL GOVERNMENTAL FUND TYPES**

**EXHIBIT 2**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES:  
YEAR ENDING JUNE 30, 1997**

			Totals	
			(Millions of Dollars)	
	General	Debt Service	1997	1996
<b>REVENUES</b>				
Ad valorem taxes	\$ 28,794	\$ 53,000	\$ 81,794	\$ 75,311
Sales taxes	382,001	-	382,001	367,306
Garbage fees	126,618	-	126,618	122,466
Licenses and permits	75,704	-	75,704	81,867
Intragovernmental revenue	58,029	-	58,029	58,200
Fines and forfeitures	83,793	-	83,793	58,915
Other revenue	128,534	1,536	130,070	129,719
Total revenues	783,813	54,536	838,349	793,315
<b>EXPENDITURES</b>				
Current operating expenditures:				
General government	194,350	-	194,350	175,526
Police	158,080	-	158,080	144,784
Public safety	148,613	-	148,613	112,693
Sanitation	129,587	-	129,587	114,115
Fire department	1,836	-	1,836	1,205
Debt service expenditures:				
Principal retirement	-	27,807	27,807	27,979
Interest	-	28,813	28,813	20,316
Total expenditures	625,869	56,619	682,488	587,426
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>				
	157,944	-3,083	154,861	205,889
<b>OTHER FINANCING USES</b>				
Transfers to other funds	15,000	-	15,000	-
	15,000	-	15,000	-
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>				
	142,944	-3,083	139,861	205,889
<b>FUND BALANCE</b>				
Beginning of year	625,269	68,194	693,463	577,644
End of year	\$ 768,213	\$ 65,111	\$ 833,324	\$ 783,533

The accompanying notes are an integral part of this statement.

**TOWN OF GRANBERY, LOUISIANA  
GENERAL AND DEBT SERVICE FUNDS**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET (FISCAL BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 1997**

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>REVENUES</b>			
Ad valorem taxes	\$ 28,800	\$ 28,750	(\$ 50)
Sales taxes	297,000	302,000	5,000
Garbage fees	173,000	178,618	5,618
Licenses and permits	75,000	75,700	700
Intergovernmental revenue	34,700	38,029	3,279
Fines and forfeitures	65,000	63,760	(1,240)
Interest revenue	30,500	39,166	8,666
Other revenue	95,175	117,938	22,763
Total revenues	<u>795,675</u>	<u>796,951</u>	<u>1,276</u>
<b>EXPENDITURES</b>			
Current operating expenditures:			
General government	186,973	194,350	7,377
Streets	156,941	179,180	22,239
Public safety	191,400	149,633	(41,767)
Sanitation	120,000	120,387	387
Fire department	2,000	1,976	(24)
Debt service expenditures:			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	<u>617,314</u>	<u>645,526</u>	<u>28,212</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>178,361</b>	<b>151,425</b>	<b>26,936</b>
<b>OTHER FINANCING USES</b>			
Transfers to other funds	-	15,000	(15,000)
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>178,361</b>	<b>136,425</b>	<b>41,936</b>
<b>FUND BALANCE</b>			
Beginning of year	635,289	635,289	-
End of year	<u>\$ 713,650</u>	<u>\$ 771,714</u>	<u>\$ 58,064</u>

The accompanying notes are an integral part of this statement.

Delta Service Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 41,500	\$ 33,070	\$ 8,530
-	-	-
-	-	-
-	-	-
-	-	-
1,700	1,836	136
<u>43,200</u>	<u>34,906</u>	<u>8,294</u>
-	-	-
-	-	-
-	-	-
-	-	-
27,000	27,600	600
<u>20,500</u>	<u>20,813</u>	<u>267</u>
<u>47,700</u>	<u>47,613</u>	<u>87</u>
1,500	7,346	5,846
-	-	-
1,500	7,346	5,846
<u>58,200</u>	<u>58,299</u>	<u>99</u>
<u>\$ 104,900</u>	<u>\$ 75,640</u>	<u>\$ 29,260</u>

**TOWN OF GRAMERCY, LOUISIANA  
PROPRIETARY FUND**

**EXHIBIT 4**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,  
EXPENSES, AND CHANGES IN RETAINED EARNINGS  
YEARS ENDED JUNE 30, 1997 AND 1996**

	<u>1997</u>	<u>1996</u>
<b>OPERATING REVENUES</b>		
Sales	\$ 443,479	\$ 428,420
Tap fees	12,000	9,800
Miscellaneous revenues	12,350	2,271
Total operating revenues	<u>\$467,829</u>	<u>\$438,491</u>
<b>OPERATING EXPENSES</b>		
Salaries	130,427	132,896
Legal and professional fees	4,478	24,613
Office expenses	3,000	3,843
Miscellaneous expenses	482	161
Interest	28,100	19,844
Supplies and maintenance	31,627	41,262
Vehicle expenses	3,760	4,136
Utilities	533	334
Audit and accounting fees	4,200	7,293
Retirement	6,411	6,333
Electricity	31,480	33,004
Payroll taxes	1,387	1,659
Laboratory expenses	4,440	4,219
Chemicals	12,681	17,612
Depreciation	144,280	159,119
Total operating expenses	<u>\$68,191</u>	<u>\$12,697</u>
<b>INCOME FROM OPERATIONS</b>	39,734	4,794
<b>NON-OPERATING REVENUES/EXPENSES</b>		
Interest revenues	29,136	26,000
Rural development grant expenses (RDE)	( 35,494)	( 4,203)
Interest expense	( 42,997)	( 41,848)
Transfers from other funds	15,800	—
Net non-operating revenues/expenses	<u>( \$33,555)</u>	<u>( \$10,051)</u>
<b>NET INCOME/LOSS</b>	4,179	( 5,257)
Depreciation transferred to contributed capital	29,508	29,508
<b>INCREASE IN RETAINED EARNINGS</b>	33,687	( 14,765)
Retained earnings - beginning of year (as retained)	144,988	132,800
Retained earnings - end of year	<u>\$ 178,675</u>	<u>\$ 118,035</u>

The accompanying notes are an integral part of these statements.



**TOWN OF GRAMERCY, LOUISIANA  
 PROPRIETARY FUNDS**

EXHIBIT 3  
 Page 1 of 2

**COMPARATIVE STATEMENTS OF CASH FLOWS  
 YEARS ENDED JUNE 30, 1997 AND 1996**

	1997	1996
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 453,815	\$ 471,007
Cash payments to suppliers for goods and services	( 92,338)	( 78,002)
Cash payments to employees for services	( 131,627)	( 126,657)
Net cash provided by operating activities	230,850	266,348
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfers from other funds	15,000	-
Road development grant expenses (net)	( 35,481)	( 5,200)
Net cash used by noncapital financing activities	( 20,481)	( 5,200)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of additional revenue bonds	11,007	19,100
Acquisition of capital assets	( 48,158)	( 45,180)
Principal paid on revenue bonds	( 19,332)	( 46,202)
Interest paid on revenue bonds	( 42,997)	( 44,588)
Net cash used by capital and related financing activities	( 99,480)	( 130,770)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest earned on investments	28,736	28,809
Net cash provided by investing activities	28,736	28,809
Net increase in cash and cash equivalents	160,106	127,217
Cash and cash equivalents - beginning of year	279,648	152,431
Cash and cash equivalents - end of year	\$ 439,754	\$ 279,648

The accompanying notes are an integral part of these statements.



**TOWN OF GRABERCCY, LOUISIANA  
PROPRIETARY FUNDS**

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Page 2 of 2

**COMPARATIVE STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 1997 AND 1996**

	1997	1996
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Income from operations	\$ 58,734	\$ 6,789
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	144,398	136,718
Net change in assets and liabilities:		
Accounts receivable	( 4,058)	( 10,912)
Due from other funds	( 5,068)	2,478
Accounts payable	( 37,483)	97,267
Customer service meter deposits	2,121	2,768
Other liabilities	( 588)	2,875
Due to other funds	75,922	48,229
Total adjustments	( 70,126)	( 22,507)
Net cash provided by operating activities	\$ 23,996	\$ 22,267

The accompanying notes are an integral part of these statements.





## TOWN OF GRAMERCY, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

#### 3. Summary of Significant Accounting Policies

The Town of Gramercy, Louisiana was incorporated on November 27, 1967, and operates under a Mayor - Board of Aldermen form of government. As authorized by its charter, the Town is responsible for public safety, highways and streets, sanitation, public improvements, and general administrative services.

The accounting and reporting practices of the Town of Gramercy conform to generally accepted accounting principles as applicable to governmental units. The Town's reporting entity applies all relevant Government Accounting Standards (GASB) pronouncements. The Town's proprietary funds apply all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1988, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB pronouncements prevail. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:517, to the guidance set forth in the Louisiana Governmental Accounting Guide, and to the industry audit guide,  *audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies and practices:

#### Financial Reporting Entity

Statement No. 14 of the Governmental Accounting Standards Board (GASB), *The Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is financially independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement 14, *financially independent* means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any component units, which are defined by GASB Statement No. 14 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

#### Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. Government resources are allocated to and accounted for in the individual fund-based upon the purposes for which they are to be spent and the means by which the spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

## TOWN OF GRANBERY, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

#### 1. Summary of Significant Accounting Policies (continued)

##### Fund Accounting (continued)

###### Governmental Funds

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in other funds.

Debt Service Funds - The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

###### Proprietary Funds

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 for sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise Funds - The Enterprise Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

##### Fixed Assets and Long-term Obligations

The accounting and reporting treatment applied to fixed assets and long-term liabilities is determined by measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental funds when purchased. The Town has not capitalized public domain ("infrastructure") fixed assets which consist of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. These assets are inseparable and of value only to the Town; therefore, the need for cumulative accountability is not significant. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

## TOWNSHIP OF GRAMERCY, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

#### 1. Summary of Significant Accounting Policies (continued)

##### Fixed Assets and Long-term Obligations (continued)

Long-term obligations reported to be financed from governmental fund resources are accounted for in the General Long-term Obligations Account Group.

The proprietary fund type operations are accounted for on a cost of services or "capital maintenance" measurement basis, and all assets and liabilities (whether current or non-current) associated with their activities are included on their balance sheets.

Depreciation of all depreciable fixed assets used by the proprietary funds is charged as an expense against their operations. Depreciation has been provided over the assets' estimated useful lives using the straight line method. The estimated useful lives are as follows:

Sewerage System	48 years
Waterworks System	48 years
Office Equipment	5-10 years
Automotive Equipment	3-5 years

All fixed assets are stated at historical cost.

##### Basis of Accounting

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

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property and sales taxes, interest revenue, and various intergovernmental revenues are susceptible to accrual. Fines, licenses, and permits are not susceptible to accrual because they are generally not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related legal liability is incurred. An exception to this general rule is the principal and interest on long-term debt which is recognized when due.

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

**TOWN OF GRAMERCY, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Budgets and Budgetary Accounting**

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is held to obtain taxpayer comments.
3. The budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts originally estimated require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general, debt service, and proprietary funds are adopted on bases consistent with generally accepted accounting principles (GAAP).
7. Louisiana R.S. 29:1219 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are falling to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

The level of budgetary control is total appropriations. Budgeted amounts are as originally adopted, or as amended by the Board. Originally budgeted revenues for the General Fund for the fiscal year ended June 30, 1997 were increased by \$155,325, and originally budgeted expenditures were increased by \$32,006. Originally budgeted revenues and expenses for the Enterprise Funds were increased by \$86,585 and \$181,437, respectively.



**TOWN OF GRAMERCY, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

**Cash and Investments**

Cash and investments, which include demand deposit accounts, interest-bearing demand deposit accounts, and certificates of deposit, are stated at cost, which approximates market.

Under Louisiana Revised Statutes 38:1771 and 38:1815, the Town may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**Accounts Receivable**

Unavailable amounts due from customers for utility services are recognized through the establishment of an allowance for uncollectible accounts assessed at the time information becomes available which indicates the uncollectibility of the particular receivable.

**Accumulated Unpaid Vacation**

Employees earn vacation leave at various rates depending upon the length of their employment. Employees must use their vacation leave in the year earned. Accordingly, no provision is made in the financial statements for unpaid vacation leave.

**Operating Transfers In and Out**

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

**Comparative Data**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. However, since its inclusion would make the statements unduly complex and difficult to read, comparative data (i.e., presentation of prior year totals by fund type) has not been presented in all of the statements.

**Total Columns on Combined Statements**

Total columns on the combined statements are captioned nonstatutory only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Since interfund eliminations have not been made in the aggregation of this data, such data is not comparable 1-1 consolidation.



**TOWN OF GRAMERCY, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

1. **Summary of Significant Accounting Policies (continued)**

**Statements of Cash Flow**

For purposes of the statements of cash flow, the Town considers all highly liquid investments (including restricted assets) with original maturities of twelve months or less to be cash equivalents.

**Encumbrances**

Encumbrances accounting, under which contracts and other commitments for the expenditure of monies, are recorded in order to insure that portions of the applicable appropriation, is not expended by the Town.

**Reclassification**

Certain 1998 balances have been reclassified to conform with the 1997 financial statement presentation.

2. **Fixed Assets**

A summary of changes in general fixed assets follows:

	Balance 06/30/98	Additions	Deletions	Balance 06/30/99
Land	\$ 11,220	\$ -	\$ -	\$ 11,220
Buildings	133,087	-	-	133,087
Improvements other than buildings	7,821	-	-	7,821
Equipment	79,062	41,000	990	119,072
	<u>\$ 201,190</u>	<u>\$ 41,000</u>	<u>\$ 990</u>	<u>\$ 271,200</u>

A summary of proprietary fund type property, plant, and equipment at June 30, 1997 follows:

Land	\$ 3,825
Plant and equipment	4,218,045
	<u>4,248,870</u>
Less: Accumulated depreciation	(1,867,742)
	<u>\$ 2,381,128</u>

In accordance with Financial Accounting Standards Board Statement No. 62, Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain O/Bs and Grants, the Town capitalizes interest in connection with construction in progress for Proprietary Fund types. No interest was capitalized during the year ended June 30, 1997.

**TOWN OF GRAMERCY, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**3. Changes in Long-Term Debt**

The following is a summary of long-term debt transactions which occurred during the year ended June 30, 1997:

	Balance 06/30/95	Additions	Retirements	Balance 06/30/97
1976 Wastewater Improvement Bonds	\$ 24,500	\$ -	\$ 2,610	\$ 21,890
1976 Fire Protection Bonds	26,400	-	8,790	17,610
1981 Sewer Improvement Bonds - General				
Obligation Portion	503,000	-	15,000	488,000
Water Revenue Refunding Bonds	104,626	-	18,188	86,438
1981 Sewer Improvement Bonds	728,523	11,077	33,000	706,600
	<u>\$ 1,389,552</u>	<u>\$ 11,077</u>	<u>\$ 75,188</u>	<u>\$ 1,325,441</u>

Debt payable at June 30, 1997 was comprised of the following individual issues:

**General Long-Term Debt**

\$68,000 of Wastewater Improvement Bonds, due in annual installments of \$3,623, including interest at 5.00%, through March 24, 2002. \$ 20,890

\$178,000 of Fire Protection Bonds, due in annual installments of \$11,240, including interest at 5.00%, through March 24, 2002. 17,610

\$400,000 of Sewer Improvement Bonds, due in various semi-annual installments, including interest at 4.55%, through April 1, 2011. 488,000

\$ 526,500

**Debt Liability (Revenue Fund)**

\$200,000 of Water Revenue Refunding Bonds, due in monthly installments of \$1,128, including interest at 7.125%, through May 3, 2001; secured by the net income derived from the operation of the wastewater system. 86,438



**TOWN OF GRAMERCY, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

**3. Changes in Long-Term Debt (continued)**

**Sewer Operating Fund**

\$550,000 of Sewer Improvement bonds, due in various semi-annual installments, including interest at 4.99 % through April 1, 2002 (secured by the sewer operating revenues in excess of those necessary to operate and maintain the system).

\$ 7,300,000

The outstanding sewer bonds are calculated to mature as follows:

<u>Year ending</u> <u>June 30,</u>	<u>Amount</u>
1998	77,212
1999	84,422
2000	91,778
2001	92,177
2002	94,638
Thereafter	<u>765,000</u>
	<u>1,405,227</u>

As part of the various bond agreements the Town has agreed to comply with certain covenants. The covenants include, primarily, of reporting and audit requirements, insurance coverage, restrictions on additional debt, maintenance of various deposit accounts, and other administrative requirements. The Town has not complied with some of these covenants; however, the applicable lending institutions have issued waivers regarding these covenants.

**4. Ad Valorem Taxes**

Ad valorem taxes attach to enforceable liens on all applicable property on February 28th of each year. Taxes are levied and are actually billed to the taxpayers in November of each year. Billed ad valorem taxes become delinquent on January 1st of the following calendar year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. James Parish. During the year ended June 30, 1995, taxes of 5.10 mills were levied on property with assessed valuations totaling \$5,700,173 for general purposes. Additional taxes of 8.25 mills were levied on the same property for the purpose of accumulating enough funds to service the annual debt requirements as they become due.

Ad valorem taxes levied during the year ended June 30, 1997 totaled approximately \$81,670.





## TOWN OF GRAMERCY, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

#### 5. Interfund Receivables and Payables

Interfund receivables and payables at June 30, 1997 were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 158,759	\$ 8,798
Debt Service Funds	382	-
Enterprise Funds:		
Public Utility Revenue Fund	5,480	62,800
Sewer Operating Fund	3,083	38,718
	<u>\$ 167,704</u>	<u>\$ 110,316</u>

#### 6. Excess of Expenditures over Appropriations in Individual Funds

The sewer operating fund's expenditures exceeded its appropriations by \$171,966 during the fiscal year ended June 30, 1997, resulting in a negative balance in its retained earnings account.

#### 7. Defined Benefit Pension Plans

Substantially all employees of the Town of Gramercy are members of either the Municipal Employees Retirement System of Louisiana or the Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Financial information relative to each plan follows:

##### **a. Municipal Employees Retirement System of Louisiana (System)**

**Plan Description.** The System is composed of two distinct plans, Plan A and Plan B, which have separate assets and benefit provisions. All employees of the Town of Gramercy are members of Plan A.

All permanent employees working at least 38 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after the age of 58 with at least 30 years of creditable service or at or after the age of 55 with at least 25 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average monthly salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate their employment with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accord to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

## **TOWN OF GRAMERCY, LOUISIANA**

### **NOTES TO FINANCIAL STATEMENTS**

#### **1. Defined Benefit Pension Plan**

##### **a. Municipal Employees Retirement System of Louisiana (continued)**

The System issues an annual publicly available financial report that includes financial statements and copies of supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Officer Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4800.

**Funding Policy.** Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary to the system, and the Town of Gramercy is required to make contributions at an actuarially determined rate. The rate currently being paid by the Town is 4.25% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown on the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Gramercy are established and amended by state statute. As provided by Louisiana Revised Statute 11:183, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Gramercy's contributions to the System under Plan A during the years ending June 30, 1997, 1998, and 1999 were \$12,383, 12,256, and \$10,384, respectively, equal to the required contributions for those years.

##### **b. Municipal Police Employees Retirement System of Louisiana (System)**

**Plan Description.** All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire on or after the age of 58 with at least 20 years of creditable service or at or after the age of 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of their final-average salary over the 36 consecutive or joint months that produce the highest average. Employees who terminate their employment with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2780, or by calling (224) 929-7411.

## TOWN OF GRANBERY, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

#### 7. Defined Benefit Pension Plan (continued)

##### a. Municipal Police Employees Retirement System of Louisiana (System) (continued)

**Funding Policy.** Plan members are required by state statute to contribute 7.5 percent of their annual covered salary to the System, and the Town of Granbery is required to make contributions at an actuarially determined rate. The rate currently being paid by the Town is 9.0% of annual covered payroll. The contribution requirements of plan members and the Town of Granbery are established and amended by state statute. As provided by Louisiana Revised Statute 11:1003, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Towns of Granbery contributions to the System during the years ending June 30, 1997, 1996, and 1995 were \$6,987, \$5,706, and \$5,661, respectively, equal to the required contributions for those years.

#### 8. Segments of Enterprise Activities

Water and sewerage services are provided by the Town and are financed by user charges. The significant financial data for the year ended June 30, 1997 for these services are as follows:

	Water	Sewerage	Total
Operating revenues	\$ 363,129	\$ 164,768	\$ 467,817
Operating expenses	134,603	173,286	408,159
Depreciation	53,284	91,182	144,386
Income (loss) from operations	68,232	1,480	58,710
Net income (loss)	74,831	11,983	42,868
Acquisition of capital assets	1,947	15,385	19,332
Outstanding revenue bonds	28,418	710,000	738,418

#### 9. Restricted Assets

Under the terms of the bond indentures for the water revenue refunding bonds and the sewer improvement bonds, certain revenues are dedicated to the retirement of said bonds, and are to be set aside into special accounts also; provisions have been made for the payment, therefore, of the reasonable and necessary expenses of operating and maintaining the utility systems.

The Town has been reclassifying a portion of its cash and investments as "restricted" on a monthly basis. However, the Town has not established all of the "restricted" accounts delineated in the bond indentures. All of the applicable lending institutions waived the violations of these covenants for the year ended June 30, 1997.

## TOWN OF GRAMERCY, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

#### 10. Due from Other Governmental Agencies

Amounts due from other governmental agencies at June 30, 1997, consisted of the following:

St. James Parish - sales taxes	\$	49,526
PRM sales taxes		<u>1,921</u>
	\$	<u>51,447</u>

#### 11. Lease Agreements

On November 1, 1995, the Town entered into an operating lease providing for the use of a particular piece of maintenance equipment. The lease extends over a three year period through November 1, 1998 and requires monthly payments of \$625.

The Town entered into an additional lease agreement providing for the use of a separate piece of maintenance equipment on July 24, 1996. This lease also extends over a three year period and requires monthly payments of \$1,125.

On December 18, 1996, the Town entered into a third lease agreement providing for the use of various pieces of computer equipment. This lease extends over a three year period through January 18, 2000 and requires monthly payments of \$125.

All three of the previously mentioned lease agreements have non-appropriation expatriatory clauses that allow for the cancellation of the agreements should the Town not make appropriations for their continuation during any subsequent fiscal periods. Lease expenditures totaled approximately \$21,480 during the year ended June 30, 1997.

#### 12. Cash and Investments

At June 30, 1997, the carrying amounts of the Town's deposits were as follows:

petty cash	\$	125
Demand deposit accounts / savings accounts		457,477
Certificates of deposit		<u>1,108,675</u>
	\$	<u>1,614,277</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by either federal deposit insurance or by the pledge of securities owned by a fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. At June 30, 1997, the Town had \$1,614,276 in deposits (collateral bank balances). Of these bank balances, \$300,000 was covered by federal depositary insurance, and \$1,414,276 was secured by collateral owned by the fiscal agent bank.

**TOWN OF GRAMERCY, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**13. Prior Period Adjustments**

Prior to July 1, 1995, the Town considered the underground portion of its sewer system to have an unlimited life and, as such, was not depreciating that portion of its property and equipment. This lack of depreciation resulted in the Town's total capital being overstated by \$218,663 as June 30, 1995.

In order to provide a more accurate description of its financial position and to present its financial statements in accordance with generally accepted accounting principles, the Town reduced its retained earnings and overfunded capital accounts as June 30, 1995, by \$486,121 and \$22,842, respectively. These adjustments had no effect on either the fiscal 1996 or the fiscal 1997 financial statements.

FINANCIAL STATEMENTS OF  
INDIVIDUAL FUNDS AND ACCOUNT GROUPS



## **GENERAL FUND**

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



TOWN OF GRAMERCY, LOUISIANA  
GENERAL FUND

SCHEDULE A-1

COMPARATIVE BALANCE SHEETS  
JUNE 30, 1997 AND 1996

ASSETS

	<u>1997</u>	<u>1996</u>
Cash	\$ 150,381	\$ 198,349
Investments	453,080	348,800
Other accounts receivable (net of allowances for uncollectible amounts of \$3,800)	34,074	38,011
Due from other funds	198,729	38,529
Due from other governmental agencies	<u>31,447</u>	<u>25,580</u>
Total assets	<u>\$ 868,611</u>	<u>\$ 650,569</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 48,408	\$ 33,886
Other current liabilities	1,890	1,589
Due to other funds	4,796	7,324
Payroll taxes payable	3,208	4,647
Due to employees' retirement systems	<u>8,352</u>	<u>8,004</u>
Total liabilities	<u>66,654</u>	<u>55,450</u>
Fund balance	<u>792,629</u>	<u>595,119</u>
Total liabilities and fund balance	<u>\$ 859,283</u>	<u>\$ 650,569</u>

The accompanying notes are an integral part of these statements.



**TOWNSHIP OF GRAMERCY, LOUISIANA  
GENERAL FUND**

SCHEDULE A-2

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 1997  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1996**

	1997		Variance - Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 28,800	\$ 28,760	(40)	\$ 25,758
Sales taxes	297,800	302,807	5,007	267,265
Garbage fees	123,800	128,418	4,618	122,495
Licenses and permits	75,000	75,704	704	81,167
Intergovernmental revenues:				
Tobacco	12,500	12,418	(82)	15,523
Beer	7,280	7,490	210	5,686
Video policy	35,000	38,164	3,164	37,034
Fines and forfeitures	65,000	63,793	(1,207)	38,955
Other	113,675	118,168	4,493	120,089
Total revenues	732,455	799,936	67,481	710,548
<b>EXPENDITURES</b>				
Current operating expenditures:				
General government	186,905	194,160	(7,255)	178,528
Streets	156,911	159,180	(2,269)	144,754
Public safety	191,480	149,673	41,807	162,890
Sanitation	120,080	120,587	(507)	134,119
Fire department	7,000	1,926	5,074	1,875
Total expenditures	662,381	625,686	36,695	562,176
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	140,174	167,350	27,176	148,372
<b>OTHER FINANCING LINES</b>				
Transfers to other funds	-	15,000	(15,000)	-
		15,000	(15,000)	
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING LINES</b>	140,174	152,350	12,176	148,372
<b>FUND BALANCE</b>				
Beginning of year	625,298	625,298	-	478,886
End of year	\$ 765,472	\$ 777,648	\$ 12,176	\$ 627,258

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA  
GENERAL FUND

SCHEDULE A-3

SCHEDULE OF OTHER REVENUE  
BUDGET BASIS AND ACTUAL  
YEAR ENDED JUNE 30, 1997

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1996

	1997		Variance - Favorable (Disfavorable)	1996
	Budget	Actual		Actual
<b>OTHER REVENUE</b>				
Utility franchise fees	\$ 45,000	\$ 44,157	\$ 843	\$ 35,079
PRM sales taxes	-	19,867	19,867	19,618
Interest revenues	28,500	28,066	434	22,732
Collection fees	1,000	1,817	817	3,345
Cops fast grant revenues	17,500	18,755	1,255	11,041
Miscellaneous	27,615	28,332	667	28,282
<b>Total other revenue</b>	<b>\$ 113,615</b>	<b>\$ 138,169</b>	<b>\$ 24,479</b>	<b>\$ 120,097</b>

The accompanying notes are an integral part of this statement.

TOWN OF GRANBERY, LOUISIANA  
GENERAL FUND

SCHEDULE A-4  
Page 1 of 2

STATEMENT OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 1997

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1996

	1997		Variance - Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<b>GENERAL GOVERNMENT</b>				
Legal and litigation fees	\$ 5,000	\$ 5,000	\$ -	\$ 5,100
Salaries	53,500	56,898	542	58,475
Audit and accounting fees	8,250	8,250	-	5,065
Electricity	7,000	7,413	413	7,120
Insurance	42,000	41,596	404	45,726
Supplies and maintenance	7,500	6,329	1,171	10,681
Miscellaneous	6,225	20,978	15,294	4,284
Retirement	7,500	7,887	413	2,684
Office expenses	22,000	19,941	2,059	17,417
Payroll taxes	1,000	878	122	1,501
Vehicle expenses	2,500	2,529	29	1,871
Capital outlay	15,000	11,069	3,931	565
Unavailable accounts	500	-	500	-
Dues and subscriptions	7,000	7,543	543	7,211
Meetings and conferences	1,500	1,978	478	1,640
Planning commission	2,400	2,160	240	2,480
Total general government	288,925	298,282	7,279	175,528
<b>STREETS</b>				
Salaries	58,000	58,036	3,000	56,681
Miscellaneous	2,000	1,988	12	5,160
Retirement	3,000	2,885	115	3,051
Vehicle expenses	3,500	3,587	97	8,000
Uniforms	411	178	233	79
Insurance	14,500	15,443	943	14,342
Supplies and maintenance	10,000	19,673	9,673	20,362
Electricity	42,000	42,599	599	41,578
Interest expense	3,200	3,025	175	998
Capital outlay	21,000	9,882	11,118	-
Payroll taxes	1,200	1,229	50	1,202
Total streets	196,931	198,180	2,259	144,754

The accompanying notes are an integral part of this statement.



**TOWN OF GRAMERCY, LOUISIANA  
GENERAL FUND**

SCHEDULE A-4  
Page 2 of 2

**STATEMENT OF EXPENDITURES  
BUDGET FISCAL YEAR AND ACTUAL  
YEAR ENDED JUNE 30, 1997**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1996**

	1997		Variance - Favorable (Unfavorable)	1996
	Budget	Actual		Actual
<b>PUBLIC SAFETY</b>				
Police				
Cops fuel grant expenses	\$ 21,000	\$ 21,496	(\$ 496)	\$ 20,564
Insurance	13,000	13,289	289	11,009
Uniforms	800	985	185	681
Equipment	5,500	5,590	90	4,458
Vehicle expenses	9,000	11,027	2,027	9,561
Salaries	60,000	60,945	945	51,100
Supplies and maintenance	7,500	7,100	400	5,481
Training expenses	1,000	215	785	1,115
Payroll taxes	1,500	1,232	268	1,297
Legal and litigation fees	2,000	-	2,000	-
Capital outlay	25,000	28,136	3,136	3,711
Miscellaneous	2,000	2,820	820	3,181
Total police	168,100	168,734	634	111,589
Emergency Preparedness:				
Salaries	1,400	1,480	80	1,280
Operating expenses	3,200	3,219	19	385
Capital outlay	500	-	500	-
Total emergency prep.	5,100	4,699	401	1,665
Total public safety	173,200	173,433	233	113,254
<b>SANITATION</b>				
Solid waste disposal	120,800	120,587	213	118,110
Total sanitation	120,800	120,587	213	118,110
<b>FIRE DEPARTMENT</b>				
Insurance	2,800	1,816	984	1,815
Total fire department	2,800	1,816	984	1,815
Total all departments	\$ 611,200	\$ 621,658	(\$ 10,458)	\$ 548,115

The accompanying notes are an integral part of this statement.



**DEBT SERVICE FUNDS**

To account for accumulation of funds and payments  
of principal and interest on specified bond issues.



TOWN OF GRAMERCY, LOUISIANA  
DEBT SERVICE FUNDS

COMBINING BALANCE SHEET  
JUNE 30, 1997

WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1996

	1997 Debt Improvement	1996 Waterworks Improvement	1996 Waterworks Improvement
<b>ASSETS</b>			
Investments	\$ 4,448	\$ 14,122	\$ 5,500
Property taxes receivable	-	-	85
Due from other funds	-	-	21
Total assets	<u>\$ 4,448</u>	<u>\$ 14,122</u>	<u>\$ 5,606</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Total liabilities	-	-	-
<b>Fund Balance:</b>			
Unreserved - designated for debt service	-	-	5,606
Unreserved - undesignated	<u>4,448</u>	<u>14,122</u>	<u>-</u>
Total fund balance	<u>4,448</u>	<u>14,122</u>	<u>5,606</u>
Total liabilities and fund balance	<u>\$ 4,448</u>	<u>\$ 14,122</u>	<u>\$ 5,606</u>

The accompanying notes are an integral part of this statement.

1976 Fisc Provision	1991 Sawit Improvement	Total	
		1987	1990
\$ 13,670	\$ 26,700	\$ 24,534	\$ 61,872
197	232	804	218
48	232	302	302
<u>\$ 13,917</u>	<u>\$ 27,264</u>	<u>\$ 25,640</u>	<u>\$ 68,394</u>
\$ -	\$ -	-	\$ -
13,917	27,264	61,878	68,342
<u>13,917</u>	<u>27,264</u>	<u>28,278</u>	<u>27,842</u>
<u>\$ 13,917</u>	<u>\$ 27,264</u>	<u>\$ 25,640</u>	<u>\$ 68,394</u>

**TOWN OF GRANBERY, LOUISIANA  
DEBT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 1997  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1996**

	1997 Sewer Improvement	1996 Waterworks Improvement	1996 Waterworks Improvement
<b>REVENUES</b>			
Taxes and permits	\$ -	\$ -	\$ 5,600
Interest revenues	_____ 113	_____ 810	_____ 180
Total revenues	_____ 113	_____ 810	_____ 5,780
<b>EXPENDITURES</b>			
Principal retirement	-	-	3,613
Interest	_____ -	_____ -	_____ 3,217
Total expenditures	_____ -	_____ -	_____ 6,830
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	113	810	950
<b>FUND BALANCE</b>			
Beginning of year	_____ 4,105	_____ 23,512	_____ 4,650
End of year	\$ _____ 4,218	\$ _____ 24,322	\$ _____ 5,600

The accompanying notes are an integral part of this statement.





		Total	
1996 Firm Provision	1991 Saver Improvement	1997	1996
\$ 13,029	\$ 34,401	\$ 53,030	\$ 47,653
300	628	1,878	1,674
<u>13,329</u>	<u>35,029</u>	<u>54,908</u>	<u>49,327</u>
5,394	13,000	27,007	27,675
<u>1,816</u>	<u>85,585</u>	<u>20,613</u>	<u>20,318</u>
<u>31,339</u>	<u>31,585</u>	<u>47,620</u>	<u>48,293</u>
2,119	3,445	7,346	1,336
<u>11,795</u>	<u>24,099</u>	<u>65,294</u>	<u>67,028</u>
\$ <u>33,917</u>	\$ <u>77,584</u>	\$ <u>73,608</u>	\$ <u>65,294</u>

**TOWN OF GRAMERCY, LOUISIANA  
WATER SERVICE FUNDS**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET (GRANT BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 1997**

	<u>1997 Grant Improvement</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes and penalties	\$ -	\$ -	\$ -
Interest revenues	<u>100</u>	<u>113</u>	<u>13</u>
Total revenues	<u>100</u>	<u>113</u>	<u>13</u>
<b>EXPENDITURES</b>			
Principal retirement	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>100</b>	<b>113</b>	<b>13</b>
<b>FUND BALANCE</b>			
Beginning of year	<u>4,338</u>	<u>4,338</u>	<u>-</u>
End of year	<u>\$ 4,438</u>	<u>\$ 4,451</u>	<u>\$ 13</u>

The accompanying notes are an integral part of this statement.

1997 Waterworks Improvement

<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ -	\$ -	\$ -
<u>600</u>	<u>600</u>	<u>10</u>
600	600	10
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
600	610	10
<u>19,512</u>	<u>19,512</u>	<u>-</u>
\$ <u>19,112</u>	\$ <u>19,122</u>	\$ <u>10</u>

**TOWN OF GRAMERCY, LOUISIANA**  
**WATER SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET GAAP BASIS AND ACTUAL  
 YEAR ENDED JUNE 30, 1997**

	197th Waterworks Improvement		
	Budget	Actual	Variance
<b>REVENUES</b>			
Taxes and penalties	\$ 4,800	\$ 5,680	\$ 880
Service revenues	150	184	34
Total revenues	4,950	5,794	814
<b>EXPENDITURES</b>			
Principal retirement	3,600	3,615	15
Interest	1,250	1,212	38
Total expenditures	4,850	4,827	23
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	100	967	867
<b>FUND BALANCE</b>			
Beginning of year	4,650	4,650	-
Total of year	\$ 4,750	\$ 5,600	\$ 850

The accompanying notes are an integral part of this statement.



1976 Fire Protection

Budget      Actual      Variance

\$	11,780	\$	13,029	\$	1,249
	<u>250</u>		<u>380</u>		<u>130</u>
	<u>11,490</u>		<u>12,649</u>		<u>1,849</u>

	8,680		8,964		284
	<u>2,800</u>		<u>2,836</u>		<u>36</u>
	<u>11,780</u>		<u>11,799</u>		<u>19</u>

	200		2,179		1,979
--	-----	--	-------	--	-------

	<u>11,780</u>		<u>11,799</u>		<u>19</u>
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\$	<u>11,898</u>	\$	<u>13,817</u>	\$	<u>1,919</u>
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**TOWN OF GRANBERY, LOUISIANA  
LIGHT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET YEAR BASIS AND ACTUAL  
YEAR ENDED JUNE 30, 1997**

	1997 Street Improvement		
	Budget	Actual	Variance
<b>REVENUES</b>			
Taxes and penalties	\$ 31,500	\$ 34,404	\$ 2,904
Interest revenues	600	629	29
Total revenues	\$ 32,100	\$ 35,033	\$ 2,933
<b>EXPENDITURES</b>			
Principal retirement	15,000	15,000	-
Interest	16,600	18,585	1,985
Total expenditures	\$ 31,600	\$ 33,585	\$ 1,985
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	600	3,448	2,848
<b>FUND BALANCE</b>			
Beginning of year	24,000	24,000	-
End of year	\$ 24,600	\$ 27,448	\$ 2,848

The accompanying notes are an integral part of this statement.



Total		
Budget	Actual	Variance
\$ 47,500	\$ 53,850	\$ 5,530
<u>1,700</u>	<u>1,835</u>	<u>135</u>
<u>49,200</u>	<u>54,685</u>	<u>5,680</u>
27,800	27,800	0
<u>28,700</u>	<u>28,610</u>	<u>87</u>
<u>47,500</u>	<u>47,420</u>	<u>80</u>
1,500	3,245	5,745
<u>68,750</u>	<u>68,750</u>	<u>0</u>
<u>\$ 68,850</u>	<u>\$ 75,840</u>	<u>\$ 5,740</u>

### **ENTERPRISE FUNDS**

**Public Utility Revenue Fund** - 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, administration, operations, maintenance, financing and related debt service, billing, and collection.

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





**TOWN OF GRAMERCY, LOUISIANA  
ENTERPRISE FUNDS**

**COMBINING BALANCE SHEET  
JUNE 30, 1997  
WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1996**

**A S S E T S**

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1997	1996
<b>CURRENT ASSETS</b>				
Cash	\$ 149,352	\$ 87,344	\$ 236,696	\$ 184,597
Investments	308,715	99,373	408,088	323,032
Accounts receivable (net of allowances for uncollectible accounts of \$5,300)	31,708	21,312	53,020	48,962
Due from other funds	3,893	3,693	7,586	899
Total current assets	493,668	212,722	706,390	557,490
<b>RESTRICTED ASSETS</b>				
Assets restricted for the retirement of the outstanding revenue bonds as well as for the replacement and extension of the utility system	191,899	187,683	379,582	372,899
Total restricted assets	191,899	187,683	379,582	372,899
<b>PROPERTY, PLANT, AND EQUIPMENT</b>				
Land	1,825	-	1,825	1,825
Plant and equipment	1,883,778	2,841,387	4,725,165	4,319,713
	1,689,603	2,441,367	4,130,970	4,321,536
Less: Allowance for depreciation	( 1,689,603)	( 1,838,789)	( 3,528,392)	( 1,752,894)
Net property, plant, and equipment	200,000	1,602,578	2,802,578	2,568,641
Total assets	\$ 1,481,798	\$ 2,012,282	\$ 3,494,970	\$ 3,421,291

The accompanying notes are an integral part of this statement.



## LIABILITIES AND CAPITAL

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1997	1996
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 3,480	\$ 3,083	\$ 6,463	\$ 44,344
Customer service meter deposits	42,482	-	42,482	49,251
Payable from restricted assets:				
Revenue bonds payable - due within one year	79,649	39,000	118,649	46,139
Accrued interest payable	477	8,649	9,126	9,654
Due to other funds	62,080	96,728	158,808	82,808
Other liabilities	-----	3,543	3,543	3,543
Total current liabilities	<u>128,068</u>	<u>142,813</u>	<u>270,881</u>	<u>228,719</u>
<b>LONG TERM LIABILITIES</b>				
Revenue bonds payable - due after one year	66,282	688,800	755,082	785,361
Total long-term liabilities	<u>66,282</u>	<u>688,800</u>	<u>755,082</u>	<u>785,361</u>
Total liabilities	<u>194,350</u>	<u>831,613</u>	<u>1,025,963</u>	<u>1,014,079</u>
<b>CAPITAL CONTRIBUTIONS</b>				
From federal grant for utility systems	844,808	803,973	1,147,691	1,147,691
From municipality grant for utility systems	442,028	1,128,408	1,570,436	1,273,501
	1,286,836	1,431,829	2,717,449	2,721,449
Less: Depreciation applicable to capital contributions	( 422,809)	( 80,704)	( 482,602)	( 423,211)
Net contributions	<u>864,027</u>	<u>1,351,125</u>	<u>2,236,646</u>	<u>2,298,237</u>
<b>RETAINED EARNINGS</b>				
Reserved for revenue bond debt service	81,766	199,604	281,370	216,186
Unreserved	303,214	( 230,588)	( 27,374)	( 68,284)
Total retained earnings	<u>384,980</u>	<u>( 131,004)</u>	<u>253,976</u>	<u>147,902</u>
Total capital	<u>1,256,811</u>	<u>1,199,289</u>	<u>2,456,100</u>	<u>2,413,211</u>
Total liabilities and capital	<u>\$ 1,451,208</u>	<u>\$ 2,031,282</u>	<u>\$ 3,472,990</u>	<u>\$ 3,437,291</u>

**TOWNSHIP OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS**

SCHEDULE C-2

**COMBINING STATEMENT OF REVENUES AND EXPENSES**  
**YEAR ENDED JUNE 30, 1997**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1996**

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1997	1996
<b>OPERATING REVENUES</b>				
Sales	\$ 281,840	\$ 150,401	\$ 443,474	\$ 428,420
Tap fees	8,000	8,000	12,000	9,800
Miscellaneous revenues	4,888	8,274	32,380	2,294
Total operating revenues	<u>302,128</u>	<u>168,799</u>	<u>467,922</u>	<u>440,674</u>
<b>OPERATING EXPENSES</b>				
Salaries	182,600	28,994	131,627	182,896
Legal and professional fees	-	4,478	4,478	28,413
Office expenses	1,821	1,210	3,031	3,045
Miscellaneous expenses	468	2	482	181
Insurance	12,603	4,759	20,480	18,944
Supplies and maintenance	20,252	11,574	31,627	40,962
Vehicle expenses	3,198	582	5,760	4,156
Utilities	577	-	588	334
Audit and accounting fees	3,125	3,125	6,290	7,299
Retirement	8,084	1,367	6,411	6,520
Electricity	15,550	19,930	38,080	33,800
Payroll taxes	505	532	1,297	1,469
Laboratory expenses	2,180	2,860	4,460	4,275
Chemicals	8,281	3,740	12,081	17,822
Depreciation	33,284	50,182	144,386	136,719
Total operating expenses	<u>216,982</u>	<u>173,285</u>	<u>408,199</u>	<u>423,629</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	85,146	( 4,486)	59,724	6,785
<b>OTHER REVENUES</b>				
Interest revenues	17,491	12,235	29,726	26,898
Rural development grant revenues	36,985	-	34,985	-
Transfers from other funds	15,089	-	12,838	-
	<u>52,475</u>	<u>12,235</u>	<u>67,411</u>	<u>26,898</u>
<b>OTHER CHARGES</b>				
Interest expense	7,387	39,819	42,997	44,808
Rural development grant expenses	43,490	-	43,488	6,293
	<u>50,877</u>	<u>39,819</u>	<u>86,472</u>	<u>51,101</u>
<b>NET INCOME (LOSS)</b>	\$ 85,146	(\$ 4,486)	\$ 41,668	(\$ 17,426)

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA  
 ENTERPRISE FUNDS

SCHEDULE C-3

COMBINING STATEMENT OF CHANGES IN RETAINED EARNINGS  
 YEAR ENDED JUNE 30, 1997  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1996

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1997	1996
Retained earnings - beginning of year (as previously reported)	\$ 292,864	(\$ 147,681)	\$ 144,860	\$ 629,873
Adjustment for the unrecorded depreciation on the underground portion of the sewer system	-	-	-	( 186,223)
Retained earnings - beginning of year (as restated)	292,864	( 147,681)	144,860	132,850
Net income (loss)	76,811	( 31,865)	42,868	( 17,466)
Depreciation transferred to contributed capital	22,008	3,588	28,296	26,726
Retained earnings - end of year	\$ 389,583	(\$ 171,538)	\$ 217,544	\$ 144,530

The accompanying notes are an integral part of this statement.



**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS**

**SCHEDULE 2-4**  
**Page 1 of 2**

**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 1992**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1991**

	Public Utility Revenue Fund	Water Operating Fund	Total	
			1992	1991
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 502,349	\$ 193,530	\$ 697,635	\$ 432,037
Cash payments to suppliers for goods and services	( 54,881)	( 37,457)	( 92,338)	( 78,002)
Cash payments to employees for services	( 131,662)	( 35,984)	( 167,627)	( 128,685)
Net cash provided by operating activities	315,806	120,089	435,922	225,350
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Hotel development grant expense (net)	( 25,493)	-	( 25,493)	( 6,292)
Transfers from other funds	25,000	-	25,000	-
Net cash used by noncapital financing activities	( 5,493)	-	( 5,493)	( 6,292)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from issuance of revenue bonds	-	11,977	11,977	19,114
Principal paid on revenue bond maturities	( 15,189)	( 30,000)	( 45,189)	( 46,812)
Acquisition of capital assets	( 3,947)	( 15,385)	( 19,332)	( 48,180)
Interest paid on revenue bonds	( 7,382)	( 35,633)	( 42,855)	( 41,848)
Net cash used by capital and related financing activities	( 24,521)	( 69,038)	( 93,440)	( 120,722)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest earned on investments	12,691	12,235	24,926	26,699
Net cash provided by investing activities	12,691	12,235	24,926	26,699
Net increase in cash and cash equivalents	178,275	31,426	210,701	127,324
Cash and cash equivalents - beginning of year	428,675	352,573	781,248	632,424
Cash and cash equivalents - end of year	\$ 606,950	\$ 383,999	\$ 990,949	\$ 759,748

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA  
ENTERPRISE FUNDS

SCHEDULE C-4  
Page 2 of 2

COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDING JUNE 30, 1997  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDING JUNE 30, 1996

	Public Utility Revenue Fund		Sewer Operating Fund		Total	
	1997	1996	1997	1996	1997	1996
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>						
Income (loss) from operations	\$ 68,212	(\$ 8,488)	\$ 59,704	\$ 6,780	\$ 128,416	\$ 13,568
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:						
Depreciation	53,284	91,802	144,288	136,718	298,572	278,526
Net change in assets and liabilities:						
Accounts receivable	2,814	( 8,874)	4,688	( 34,924)	29,002	( 31,034)
Due from other funds	( 3,400)	1 2,994	( 5,994)	2,478	( 3,510)	2,478
Due to other funds	85,263	(85,158)	35,922	48,029	121,844	133,157
Accounts payable	( 13,718)	( 23,924)	( 77,683)	( 37,381)	( 111,404)	( 109,146)
Accrued payables	( 88)	( 472)	( 588)	( 2,974)	( 3,066)	( 3,446)
Customer service meter deposits	2,131	-	2,131	3,795	4,262	6,586
Total adjustments	76,279	81,291	136,136	138,567	272,315	277,159
Net cash provided by operating activities	\$ 144,491	\$ 73,302	\$ 235,840	\$ 145,347	\$ 470,281	\$ 390,727

The accompanying notes are an integral part of this statement.



**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND**

**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 1997 AND 1996**

**A S S E T S**

	1997	1996
<b>CURRENT ASSETS</b>		
Cash	\$ 445,312	\$ 110,200
Investments	308,735	323,840
Accounts receivable (net of allowance for uncollectible accounts of \$3,687)	31,708	34,324
Due from other funds	1,809	-
Total current assets	787,564	568,474
<b>RESTRICTED ASSETS</b>		
Assets restricted for the retirement of the outstanding revenue bonds as well as for the replacement and extension of the utility system	181,893	92,529
Total restricted assets	181,893	92,529
<b>PROPERTY, PLANT, AND EQUIPMENT</b>		
Land	1,825	1,825
Plant and equipment	1,897,728	1,899,831
	1,899,553	1,899,656
Less: Allowance for depreciation	( 1,318,924)	( 882,669)
Net property, plant, and equipment	580,629	1,016,987
Total assets	\$ 1,451,786	\$ 1,720,989

The accompanying notes are an integral part of these statements.

TOWN OF GRANBERY, LOUISIANA  
 ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND

SCHEDULE 1-A-2  
 Page 1 of 4

**STATEMENT OF REVENUES AND EXPENSES - BUDGET BASIS AND ACTUAL**  
**YEAR ENDED JUNE 30, 1997**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1996**

	1997			1996	
	Budget	Actual	Variance	Actual	
<b>OPERATING REVENUES</b>					
Sales	\$ 290,000	\$ 290,043	\$ 3,043	\$ 278,848	
Tap fees	4,500	4,000	(500)	4,000	
Miscellaneous revenues	4,100	4,085	(15)	3,757	
Total operating revenues	<u>298,600</u>	<u>298,128</u>	<u>(472)</u>	<u>286,605</u>	
<b>OPERATING EXPENSES</b>					
General and administrative:					
Salaries	17,500	17,097	403	16,654	
Office expenses	1,500	1,841	(341)	1,718	
Miscellaneous	200	89	111	63	
Insurance	14,000	14,008	(8)	13,788	
Audit and accounting fees	3,125	3,025	-	3,649	
Uncollectible accounts	200	-	200	-	
Retirement	1,000	1,074	(74)	1,172	
Electricity	500	475	25	542	
Payroll taxes	200	201	(1)	220	
Depreciation	500	-	500	-	
	<u>38,025</u>	<u>37,850</u>	<u>1,084</u>	<u>37,743</u>	
Water treatment:					
Salaries	55,000	56,378	(1,378)	64,050	
Miscellaneous	100	243	(143)	-	
Insurance	1,200	1,448	(248)	1,493	
Supplies and maintenance	6,200	6,000	200	14,086	
Retirement	2,700	2,729	(29)	3,031	
Medicare	-	-	-	202	
Payroll taxes	400	402	(2)	682	
Laboratory expenses	2,000	2,100	-	1,771	
Chemicals	8,300	8,261	39	15,038	
Depreciation	40,000	41,568	(1,568)	38,132	
Electricity	12,000	12,023	(23)	14,984	
	<u>121,900</u>	<u>128,231</u>	<u>(6,331)</u>	<u>126,129</u>	

The accompanying notes are an integral part of these statements.





**TOWN OF GRAMBERT, LOUISIANA**  
**ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND**

**SCHEDULE D-2**  
**Page 2 of 2**

**STATEMENT OF REVENUES AND EXPENSES - BUDGET GAAP BASIS AND ACTUAL**  
**YEAR ENDED JUNE 30, 1997**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1996**

	1997			1996	
	Budget	Actual	Variance	Actual	Actual
<b>OPERATING EXPENSES (continued)</b>					
Distributions:					
Salaries	\$ 30,000	\$ 29,996	\$ 400	\$ 29,875	
Miscellaneous	180	126	( 54)	-	
Insurance	280	184	96	180	
Supplies and maintenance	14,080	14,249	( 169)	17,504	
Vehicle expenses	2,080	5,199	( 3,119)	3,484	
Tuition	500	533	( 33)	632	
Retirement	1,880	1,241	59	1,607	
Payroll taxes	575	342	23	268	
Depreciation	12,000	7,715	4,284	11,419	
	<u>68,570</u>	<u>58,895</u>	<u>9,675</u>	<u>60,124</u>	
Total operating expenses	<u>230,500</u>	<u>234,800</u>	<u>( 4,300)</u>	<u>249,196</u>	
<b>INCOME FROM OPERATIONS</b>	67,100	68,210	1,110	35,994	
<b>OTHER REVENUES</b>					
Interest revenues	18,800	17,490	( 1,310)	18,289	
Rural development grant revenues	24,900	24,900	-	-	
Transfers from other funds	-	25,000	25,000	-	
	<u>43,700</u>	<u>67,390</u>	<u>24,690</u>	<u>18,289</u>	
<b>OTHER CHARGES</b>					
Interest expenses	7,500	7,587	87	8,760	
Rural development grant expenses	36,350	41,480	( 5,130)	6,285	
Capital expenditures	24,000	-	24,000	-	
	<u>67,850</u>	<u>49,067</u>	<u>18,783</u>	<u>15,045</u>	
<b>NET INCOME</b>	<u>\$ 42,350</u>	<u>\$ 46,811</u>	<u>\$ 4,461</u>	<u>\$ 29,238</u>	

The accompanying notes are an integral part of these statements.



TOWN OF GRAMERCY, LOUISIANA  
 ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND

SCHEDULE 10-3

COMPARATIVE STATEMENTS OF CHANGES IN RETAINED EARNINGS  
 YEARS ENDED JUNE 30, 1997 AND 1996

	1997	1996
Retained earnings - beginning of year	\$ 291,661	\$ 281,589
Net income	74,871	39,094
Depreciation transferred to contributed capital	(22,085)	(22,085)
Retained earnings - end of year	<u>\$ 344,447</u>	<u>\$ 298,601</u>

The accompanying notes are an integral part of these statements.



**TOWN OF GRAMERCY, LOUISIANA**  
**ENTERPRISE FUNDS - SEWER OPERATING FUND**

**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 1997 AND 1996**

**A S S E T S**

	1997	1996
<b>CURRENT ASSETS</b>		
Cash	\$ 87,344	\$ 74,354
Investments	99,179	99,089
Accounts receivable (net of allowances for uncollectible accounts of \$1,618)	21,312	34,038
Due from other funds	3,080	489
Total current assets	211,122	208,580
<b>RESTRICTED ASSETS</b>		
Assets restricted for the retirement of the outstanding revenue bonds as well as for the replacement and extension of the sewer systems	187,682	179,530
Total restricted assets	187,682	179,530
<b>PROPERTY, PLANT, AND EQUIPMENT</b>		
Plant and equipment	2,441,267	2,425,882
	2,441,267	2,425,882
Less: Allowance for depreciation	( 628,189)	( 732,687)
Net property, plant, and equipment	1,813,078	1,693,195
<b>Total assets</b>	<b>\$ 2,021,782</b>	<b>\$ 2,058,305</b>

The accompanying notes are an integral part of these statements.

LIABILITIES AND CAPITAL

	<u>1991</u>	<u>1990</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,080	\$ 27,007
Payable from restricted assets:		
Revenue bonds payable -		
due within one year	30,000	30,000
Accrued interest payable	8,689	9,121
Due to other funds	50,738	50,580
Other liabilities	<u>3,543</u>	<u>3,543</u>
Total current liabilities	<u>142,050</u>	<u>118,251</u>
<b>LONG TERM LIABILITIES</b>		
Revenue bonds payable -		
due after one year	<u>698,080</u>	<u>698,923</u>
Total long-term liabilities	<u>698,080</u>	<u>698,923</u>
Total liabilities	<u>840,130</u>	<u>817,174</u>
<b>CAPITAL CONTRIBUTIONS</b>		
From federal grant for utility systems	300,520	300,520
From municipality grant for utility systems	<u>1,128,405</u>	<u>1,128,405</u>
	1,428,925	1,428,925
Less: Depreciation applicable to		
contributions	<u>(58,700)</u>	<u>(51,115)</u>
Net contributions	<u>1,370,225</u>	<u>1,377,810</u>
<b>RETAINED EARNINGS</b>		
Reserved for revenue bond debt service	158,003	140,409
Unreserved	<u>(30,580)</u>	<u>(285,080)</u>
Total retained earnings	<u>(17,577)</u>	<u>(144,671)</u>
Total capital	<u>1,352,648</u>	<u>1,233,139</u>
Total liabilities and capital	<u>\$ 2,021,388</u>	<u>\$ 2,056,313</u>

**TOWN OF GRANIERCY, LOUISIANA**  
**ENTERPRISE FUNDS - SEWER OPERATING FUND**

**SCHEDULE B-2**

**STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED JUNE 30, 1997**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1996**

	1997		1996	
	Budget	Actual	Variance	1996 Actual
<b>OPERATING REVENUES</b>				
Sales	\$ 150,000	\$ 158,431	\$ 8,431	\$ 149,374
Tax fees	5,000	6,899	1,899	9,800
Miscellaneous revenues	120	8,738	8,618	-
Total operating revenues	<u>155,120</u>	<u>174,068</u>	<u>18,948</u>	<u>159,174</u>
<b>OPERATING EXPENSES</b>				
Office salaries	13,500	13,657	157	15,599
Maintenance salaries	19,900	19,230	(670)	12,858
Legal and professional fees	2,800	4,478	1,678	24,413
Office expenses	1,200	1,218	18	1,577
Miscellaneous	250	2	(248)	88
Insurance	4,700	4,758	58	4,588
Supplies and maintenance	12,500	11,375	(1,125)	9,572
Vehicle expenses	700	562	(138)	674
Accounting and auditing fees	3,125	3,125	-	3,645
Retirement	1,750	1,367	(383)	1,260
Electricity	20,000	19,500	(500)	17,788
Payroll costs	800	532	(268)	289
Laboratory expenses	1,350	1,340	(10)	2,584
Chemicals	3,700	3,740	40	2,804
Depreciation	90,000	91,187	1,187	88,176
Uncollectible accounts	500	-	(500)	-
Total operating expenses	<u>171,429</u>	<u>178,186</u>	<u>6,757</u>	<u>184,455</u>
<b>LOSS FROM OPERATIONS</b>	<b>(16,309)</b>	<b>(4,118)</b>	<b>7,837</b>	<b>(25,281)</b>
<b>OTHER REVENUES</b>				
Interest revenues	9,000	12,235	3,235	8,693
	<u>9,000</u>	<u>12,235</u>	<u>3,235</u>	<u>8,693</u>
<b>OTHER CHARGES</b>				
Interest expense	35,082	35,830	748	36,062
Capital expenditures	15,523	-	(15,523)	-
	<u>50,605</u>	<u>35,830</u>	<u>(14,775)</u>	<u>36,062</u>
<b>NET LOSS</b>	<b>\$ 35,313</b>	<b>\$ 31,693</b>	<b>\$ 27,698</b>	<b>\$ 36,529</b>

The accompanying notes are an integral part of these statements.



TOWN OF GRAMERCY, LOUISIANA  
 ENTERPRISE FUNDS - WATER OPERATING FUND

SCHEDULE E-3

COMPARATIVE STATEMENTS OF CHANGES IN RETAINED EARNINGS  
 YEARS ENDED JUNE 30, 1997 AND 1998

	<u>1997</u>	<u>1998</u>
Retained earnings - beginning of year (as previously reported)	(\$ 147,681)	\$ 397,472
Adjustment for the unrecorded depreciation on the underground portion of the street system	_____	( 486,222)
Retained earnings - beginning of year (as corrected)	( 147,681)	( 88,750)
Net loss	( 51,850)	( 56,529)
Depreciation transferred to contributed capital	<u> 7,358</u>	<u> 7,358</u>
Retained earnings - end of year	<u>(\$ 21,853)</u>	<u>(\$ 147,681)</u>

The accompanying notes are an integral part of these statements.



**GENERAL FIXED ASSETS ACCOUNT GROUP**

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



COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS  
JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
<b>GENERAL FIXED ASSETS</b>		
Land	\$ 11,220	\$ 11,220
Buildings	133,087	133,087
Improvements other than buildings	7,621	7,621
Equipment	<u>159,079</u>	<u>159,081</u>
Total general fixed assets	<u>\$ 311,384</u>	<u>\$ 311,189</u>
<b>INVESTMENT IN GENERAL FIXED ASSETS</b>		
General fund revenues	\$ 200,026	\$ 169,812
Federal revenues sharing funds	29,999	29,999
State revenue sharing funds	<u>31,075</u>	<u>31,079</u>
Total investment in general fixed assets	<u>\$ 271,384</u>	<u>\$ 231,189</u>

The accompanying notes are an integral part of these statements.



**GENERAL LONG-TERM DEBT OBLIGATIONS GROUP**

*To account for all long-term debt not being  
serviced by the revenues of a proprietary fund  
or nonspendable trust fund*

COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT  
JUNE 30, 1997 AND 1996

	Balance 06/30/96	Additions	Retirements	Balance 06/30/97
1976 Wastewater Improvement bonds	\$ 20,000	\$ -	\$ 3,610	\$ 16,390
1976 Fire Protection bonds	36,000	-	8,296	27,704
1991 Sewer Improvement bonds - general obligation portion	320,000	-	15,000	305,000
	<u>\$ 416,000</u>	<u>\$ -</u>	<u>\$ 26,906</u>	<u>\$ 389,094</u>

The accompanying notes are an integral part of these statements.

## SUPPORTING SCHEDULES



## TOWN OF GRAMERCY, LOUISIANA

SCHEDULE 10

INSURANCE IN FORCE  
JUNE 30, 1997

<u>Type of Coverage</u>	<u>Name of Insurer</u>	<u>Expiration Date</u>	<u>Coverage Limits</u>
Automobile liability	Louisiana Municipal Risk Management	May 1, 1998	\$ 500,000
General liability	Louisiana Municipal Risk Management	May 1, 1998	500,000
Law enforcement liability	Louisiana Municipal Risk Management	May 1, 1998	500,000
Errors and omissions liability	Louisiana Municipal Risk Management	May 1, 1998	500,000
Workers' compensation	Louisiana Municipal Risk Management	January 1, 1998	Statutory
Fidelity liability schedule bond	Fidelity and Deposit Company of Maryland	October 1, 1997	50,000
Employee dishonesty	Fidelity and Deposit Company of Maryland	August 1, 1997	10,000
Theft, disappearance, and destruction	Fidelity and Deposit Company of Maryland	August 1, 1997	20,000
Commercial property	Harvest Insurance Co. and Massachusetts Bay Insurance Co.	July 1, 1997	Various limits totaling \$1,000,000



PUBLIC UTILITY SYSTEM OPERATIONS

JUNE 30, 1997

(Without Audit)

Statistics on System Operations

- (a) As of June 30, 1997 the number of metered customers was 1,091 and 1,046 for the water and sewer systems, respectively. There were no unmetered customers for either the water or sewer systems as of June 30, 1997.
- (b) The following rate schedules were in effect during the fiscal year ended June 30, 1997 for water and sewer services:

1. Water -	Rate per 1,000 Gallons
<i>Residential customers</i>	
First 2,000 gallons or less	\$ 4.00
Next 3,000 gallons	2.50
Next 5,000 gallons	2.00
Next 5,000 gallons	1.85
Over 15,000 gallons	1.65
<i>Commercial customers</i>	
First 10,000 gallons or less	\$ 54.50
Over 10,000 gallons	1.35
<i>Industrial customers</i>	
First 50,000 gallons or less	\$ 172.50
Over 50,000 gallons	2.80

TOWNS OF GRANIERCY, LOUISIANA  
PUBLIC UTILITY SYSTEM OPERATIONS  
JUNE 30, 1997  
(Without Audit)

SCHEDULE 3  
Page 1 of 2

Statistics on System Operations (continued)

2. Sewer	Rate per gallon of sewerage flow
Residential customers and small commercial customers	\$0.15/month plus \$0.42/1,000 gallons
Large commercial customers	\$32.00/month plus \$0.42/1,000 gallons
Industrial customers	Monthly base rates ranging from \$20 to \$750 (based on sewerage flow and the biological oxygen demand of the waste) plus \$0.15/1,000 gallons of sewerage flow plus \$0.005/pound of waste

(c) Average monthly billing per customer during the year ended June 30, 1997:

1. Water \$ 15.80  
2. Sewer \$ 11.61

## TOWN OF GRANBERY, LOUISIANA

SCHEDULE B

**SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES  
YEAR ENDED JUNE 30, 1997**

	Salaries during the year ended June 30, 1997
Herman Bourgoin - Mayor	\$ 12,000
Edrige Xeringer	3,000
Robert Weber	600
Melissa Laurent	3,000
Donny Cooper-Coleman	3,000
Ed D. Morgan	3,575
Ronald St. Pierre	3,250
Alvin St. Pierre, Jr.	315
Carl Splaine - Chief of Police	15,000
	<u>\$ 51,800</u>