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11:00 AM  
BRIAN GIBBS

# H. J. Lowe & Company, L.L.C.

Certified Public Accountants

To the Board of Aldermen  
Village of Grose Tete  
Grose Tete, Louisiana

This letter is intended to confirm that the Board of Aldermen is fully informed about significant matters relating to the conduct of the annual audit of the Village of Grose Tete, Louisiana, so that you can appropriately discharge your oversight responsibility in order for us to comply with our obligations to you under professional standards. This letter is intended solely for the use of the Board of Aldermen of the Village of Grose Tete, Louisiana.

The following summarizes various matters which must be communicated to you under generally accepted auditing standards.

### The Auditor's Responsibility Under Generally Accepted Auditing Standards

We originally communicated to the Board of Aldermen in our arrangement letter dated November 28, 1995, that the audit would be conducted in accordance with generally accepted auditing standards. An audit, as such, is not designed to include a detailed audit of all transactions nor to discover all defalcations, irregularities or illegal acts, should any exist. An audit conducted in accordance with generally accepted auditing standards is designed to obtain reasonable rather than absolute assurance about the financial statements. We believe that our audit accomplished these objectives.

### Significant Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies and procedures used by the Village. The Village did not adopt any significant new accounting policies and procedures nor have there been any changes in existing significant accounting policies and procedures during the current year which should be brought to your attention.

### Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us that they used all the relevant facts available to them at the time to make the best judgments about accounting estimates including the amount of estimated depreciation. We concur with the results of those estimates.

### Significant Audit Adjustments

There were several audit adjustments made from the original trial balance presented to us to begin our audit. We accumulated some potential adjustments that were collectively considered immaterial and were, therefore, not made to the financial statements. We have discussed these potential adjustments with management.

### Other Information in Documents Containing Audited Financial Statements

We have not been informed of any documents that contain your audited financial statements. If there were such documents, we have a responsibility to determine that financial information included in those documents is not materially inconsistent with the audited financial statements of The Village.

### Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgment on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statement or on the wording of our report on the financial statements.

### Consultation With Other Accountants

We are not aware nor have we been informed of any consultations management had with other independent accountants about accounting or auditing matters. Also, there were no major issues discussed regarding the application or accounting principles or auditing standards in connection with our recurring retention.

### Difficulties Encountered in Performing the Audit

We did not encounter any serious difficulties in dealing with management relating to the performance of our audit.

### Material Contingencies

The financial statements reflect no disclosures associated with material contingencies and there were no matters we believe should be disclosed as such.

We would be pleased to respond to any questions you have about the foregoing or to discuss any other matter you would like to discuss.

*H. S. Lewis & Company, L.L.C.*

May 17, 2006

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# H. J. Lowe & Company, L.L.C.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

To The Honorable Mayor and Members  
of the Board of Aldermen  
Village of Grosse Tete, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Grosse Tete, Louisiana, and the individual fund and account group financial statements of the Village as of and for the year ended December 31, 1995, as listed in the accompanying table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Grosse Tete, Louisiana, at December 31, 1995, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Village of Grosse Tete, Louisiana, at December 31, 1995, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the individual fund and account group financial statements. The accompanying financial information listed as schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Village of Grosse Tete, Louisiana.

Such information, except for the "Schedule of Insurance in Force," marked unaudited, on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

In accordance with Government Auditing Standards, we have also issued reports dated May 17, 1995 on our consideration of the Village of Grease Tete's internal control structure and on its compliance with laws and regulations.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that period in which we expressed an unqualified opinion on the general purpose, individual fund and account group financial statements on the Village of Grease Tete, Louisiana.

*H. J. Howe & Company, L.L.C.*

May 17, 1995

## GENERAL PURPOSE FINANCIAL STATEMENTS

VILLAGE OF COVINGTON TETEL, LOUISIANA

COMBINED BALANCE SHEET - ALL FUNDS TYPES AND ACCOUNT GROUPS

December 31, 1999

(With Comparative Data for December 31, 1998)

	Governmental Fund Types		Proprietary Fund Types (Enterprise)	ASSETS			Total
	General Fund	Special Revenue		Fixed Assets	LIABILITIES		
					Accounts Payable	Long-term Debt	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 194,000	\$ 6,000	\$ 21	\$ 1,020	-	\$ 195,041	\$ 195,041
Receivables	174,775	27,738	-	6,728	-	198,541	171,000
Inventory	6,014	-	-	-	-	6,014	4,000
Prepaid expenses	20,832	-	-	8,172	-	28,004	8,172
Property, plant and equipment (net values, net of accumulated depreciation)	-	4,880	-	-	-	4,880	28,433
Due from other funds	2,114	-	-	8,420	999,650	1,000,184	570,792
Intergovernmental	-	-	-	-	-	-	2,114
Other	-	-	-	-	-	-	15,673
Total	\$ 373,621	\$ 37,618	\$ 21	\$ 174,341	\$ 999,650	\$ 1,475,251	\$ 1,170,172
							\$ 271,079

EMPLOYEES, SUPPLIES AND OTHER DEBITES

LIABILITIES							
Accounts and payroll items payable	\$ 14,400	\$ 4,000	\$ -	\$ 8,000	\$ -	\$ 26,400	\$ 26,400
Due from other funds	-	-	0	2,724	-	2,724	10,713
Capital leases payable	-	-	-	-	989,200	989,200	989,200
Total liabilities	\$ 14,400	\$ 4,000	\$ 0	\$ 10,724	\$ 989,200	\$ 1,008,324	\$ 1,008,324
							\$ 203,007
<b>NET POSITION OR FUND BALANCE</b>							
Invested in capital assets	-	-	-	899,650	-	899,650	899,650
Unassigned	-	-	-	119,666	-	119,666	213,445
Accumulated deficit	-	-	-	(61,708)	-	(61,708)	(28,180)
Unexpended fund balance	-	66,438	-	-	-	66,438	66,438
Retained for other departments	-	-	-	-	-	-	-
Retained for contingencies	-	-	-	-	-	-	28,873
Unreserved - undesignated	202,021	30,618	-	-	-	232,639	131,048
Total net position or fund balance	\$ 202,021	\$ 97,056	\$ 0	\$ 100,002	\$ 899,650	\$ 1,101,729	\$ 1,171,914
							\$ 148,098

ASSETS > LIABILITIES



VILLAGE OF GROSSE TETE, LOUISIANA

COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 Year ended December 31, 1995  
 (With Comparative Totals for the Year Ended December 31, 1994)

	General	Special Revenues	Capital Project	TOTAL	
				(Nondependent Only) 1995	1994
<b>Revenues:</b>					
Taxes	\$ 20,873	\$ -	\$ -	\$ 20,873	\$ 20,873
License and permits	24,491	-	-	24,491	24,491
Intergovernmental	228,681	88,948	-	317,629	303,110
Fines	55,727	-	-	55,727	60,413
Interest	3,870	3,500	-	7,370	4,813
Miscellaneous	80	-	-	80	2,120
<b>Total revenues</b>	<b>383,642</b>	<b>92,448</b>	<b>-</b>	<b>476,090</b>	<b>397,817</b>
<b>Expenditures:</b>					
Current -					
General government	76,624	-	-	76,624	73,190
Public safety	161,699	30,288	-	191,987	186,008
Highways and streets	88,240	-	-	88,240	80,588
Health	2,824	-	-	2,824	183
Culture and recreation	2,824	-	-	2,824	13,808
Capital outlay -					
General government	11,800	-	-	11,800	22,261
Public safety	4,768	16,739	-	21,507	4,768
Highways and streets	880	-	-	880	3,730
Street systems	-	-	-	-	177,828
Debt service -					
Principal	-	28,845	-	28,845	22,875
Interest charges	-	31,128	-	31,128	42,688
<b>Total expenditures</b>	<b>385,821</b>	<b>66,692</b>	<b>-</b>	<b>452,513</b>	<b>605,811</b>
<b>Excess of revenues over expenditures</b>	<b>42,820</b>	<b>4,820</b>	<b>-</b>	<b>47,640</b>	<b>36,986</b>
<b>Other financing (uses):</b>					
Operating transfers out	(24,000)	-	-	(24,000)	(28,000)
<b>Excess of revenues and other financing sources over expenditures and other financing (uses)</b>	<b>18,820</b>	<b>4,820</b>	<b>-</b>	<b>23,640</b>	<b>10,986</b>
Fund balances, beginning	183,044	28,878	(24)	211,898	201,480
Physical equity transfer	(80)	-	28	-	-
<b>Fund balances, ending</b>	<b>\$ 202,864</b>	<b>\$ 28,878</b>	<b>\$ -</b>	<b>\$ 231,746</b>	<b>\$ 212,480</b>

See Notes to Financial Statements

VILLAGE OF GROSSE TETE, LOUISIANA

EXHIBIT

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES  
Year Ended December 31, 2003

	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>Revenues:</b>					
Taxes -					
Property	\$ 12,500	\$ 20,071	\$ 8,073	\$ -	-
License and permits					
Business	24,500	24,481	3,000	-	-
Intergovernmental	-	3,827	3,827	-	-
Rates operating fund					
Water related revenues	66,000	68,824	11,170	-	-
Water sales	2,000	2,089	49	-	-
Tobacco fee	1,700	1,972	272	-	-
Accounts receivable fee					
Revenue sharing	-	-	-	2,281	(2,281)
State Department of Agriculture operating grant					
Monthly Parks shared revenues	155,000	171,749	65,708	-	-
Sales and use fee					
Monthly Parks operating grant	50,000	65,737	17,273	64,883	7,587
Interest	5,000	8,453	3,458	3,000	478
Miscellaneous	-	80	80	-	-
Total revenues	332,000	308,642	8,952	73,644	8,688
<b>Expenditures:</b>					
Current -					
General Government	19,320	26,426	4,781	-	-
Public safety	150,400	161,648	2,081	20,488	2,148
Highways and streets	171,000	163,009	2,089	-	-
Health	2,400	2,404	21	-	-
Culture and recreation	3,900	3,654	476	-	-
Total current expenditures	340,020	357,542	8,238	20,978	2,148

VILLAGE OF GROSSE TETE, LOUISIANA

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES (COMBINED)

Year Ended December 31, 2015

	General Fund		Variance Favorable (Adverse)	Special Revenue Fund		Variance Favorable (Adverse)
	Budget	Actual		Budget	Actual	
Capital assets:						
General government	-	11,828	(11,828)	-	-	-
Public safety	11,720	9,728	1,992	8,400	9,728	(1,328)
Highways and streets	600	800	-	-	-	-
Total capital assets	12,920	22,356	(9,436)	8,400	9,728	(1,328)
Debt service:						
Principal	-	-	-	23,810	23,810	-
Interest	-	-	-	11,520	11,520	-
Total debt service	-	-	-	35,330	35,330	-
Total expenditures	209,778	209,870	11,000	98,311	99,928	1,617
Excess (deficiency) of revenues over (under) expenditures	18,222	45,889	4,667	(3,291)	6,823	7,284
Other financing (uses):						
Operating transfers in	118,888	124,820	5,932	-	-	-
Transfers (advances) of revenues and other financing sources over (under) expenditures and other (uses)	20,282	18,890	1,392	(2,190)	4,833	7,284
Fund balances, beginning	100,844	100,844	-	28,810	28,810	-
Residual equity transfer	-	(28)	28	-	-	-
Fund balances, ending	\$ 209,944	\$ 209,844	\$ 1,000	\$ 26,620	\$ 26,450	\$ 1,284

See Note 4 Finance Statement

VILLAGE OF GROSSE TETE, LOUISIANA

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN  
ACCUMULATED DEFICIT - PROPRIETARY FUND TYPE - ENTERPRISE FUND  
Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
<b>Operating revenues:</b>		
Charges for services -		
Water sales	\$ 55,943	\$ 48,119
Service connection and other fees	6,641	829
Other operating revenue	2,528	3,133
<b>Total operating revenues</b>	<u>65,112</u>	<u>52,081</u>
<b>Operating expenses:</b>		
Salaries and wages	21,881	20,653
Depreciation	5,058	4,113
Tools and supplies	889	3,758
Repairs and maintenance	2,412	1,355
Postage, printing and office supplies	708	173
Insurance and bonds	9,491	4,153
Bad debts	359	642
Professional services	2,274	3,194
Shared cost - Water District 4	22,408	24,782
Miscellaneous	834	9,881
<b>Total operating expenses</b>	<u>81,295</u>	<u>78,344</u>
<b>Operating (loss)</b>	<u>(14,854)</u>	<u>(28,263)</u>
<b>Nonoperating revenues:</b>		
Interest on investments	289	321
<b>(Loss) before operating transfers</b>	<u>(14,565)</u>	<u>(28,042)</u>
<b>Operating transfers in</b>	<u>24,068</u>	<u>26,022</u>
<b>Net income (loss)</b>	<u>9,433</u>	<u>(2,042)</u>
<b>Accumulated (deficit), beginning</b>	<u>(28,958)</u>	<u>(24,125)</u>
<b>Accumulated (deficit), ending</b>	<u>\$ (18,736)</u>	<u>\$ (26,167)</u>

See Notes to Financial Statements

VILLAGE OF GROSSE TETE, LOUISIANA

COMPARATIVE STATEMENTS OF CASH FLOWS  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 Years Ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH</b>		
<b>(USED IN) OPERATING ACTIVITIES</b>		
Operating (loss)	\$ (14,894)	\$ (25,283)
Adjustments to reconcile operating (loss) to net cash		
(used in) operating activities:		
Depreciation	5,058	4,173
Provision for doubtful accounts	165	642
Change in assets and liabilities		
(Increase) in accounts receivable	(2,283)	(1,833)
Increase in accounts payable		
and accrued expenses	<u>1,620</u>	<u>2,698</u>
Net cash (used in) operating activities	<u>(10,223)</u>	<u>(23,273)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	<u>286</u>	<u>227</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	<u>(24,183)</u>	<u>(12,268)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Operating transfers in	<u>24,800</u>	<u>25,000</u>
(Decrease) in cash and cash equivalents	(123)	(14,443)
<b>Cash and cash equivalents:</b>		
Beginning	<u>1,454</u>	<u>15,953</u>
Ending	<u>\$ 1,334</u>	<u>\$ 1,484</u>

See Note A Financial Statements

## VILLAGE OF GROSSE TETE, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

#### Note 1. Summary of Significant Accounting Policies

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

##### A. Reporting Entity

The government is a municipal corporation governed by an elected mayor and three member Board of Aldermen. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations, and so data from these units are combined with data of the primary government.

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Village and/or its citizens, or whether the activity is conducted within the geographic boundaries of the component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the Village's reporting entity.

Included within the reporting entity: Grosse Tete Volunteer Fire Department.

##### B. Fund Accounting

The Village 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.

## NOTES TO FINANCIAL STATEMENTS

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

Funds are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types.<sup>3</sup>

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

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

### C. 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 statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other uses) in net current assets.

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

The modified accrual basis of accounting is used by all governmental fund types. 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 property taxes are 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. Principal and interest on general long-term debt are recorded as fund liabilities when due.

## NOTES TO FINANCIAL STATEMENTS

Those revenues susceptible to accrual are property taxes, franchise taxes, fines, interest revenue and charges for services. Sales taxes collected and held by the parish and beer and tobacco taxes collected and held by the state at year end on behalf of the Village also are recognized as revenue. Licenses and permits 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 as the liabilities are incurred.

### D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for capital project funds.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, if not utilized in the governmental funds. Encumbrances outstanding at year end are immaterial and not reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

### E. Cash and Cash Investments

Cash and cash equivalents includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Village.

State statutes authorize the Village to invest in obligations of the U. S. Treasury and U. S. agencies, certificates of deposit in Louisiana banks, or any other federally insured investment.

Investments are stated at cost or amortized cost.

### F. Short-Term Interfund Receivables/Payables

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



## NOTES TO FINANCIAL STATEMENTS

### G. Inventories

Purchases of operating supplies are recorded as expenditures when purchased. Inventories of such supplies are not recorded and are not considered by management to be material.

### H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31 are recorded as prepaid items.

### I. 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 assets account group. Proprietary fund type property and equipment is capitalized in the fund in which it is utilized. All purchased fixed assets are valued at cost where historical records are available and at an estimated fair market value on the GAO received.

The costs of rental maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the village.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund type is computed using the straight-line method.

### J. Compensated Absences

Vacation and sick leave benefits must be taken in the year earned and no carryover of unused leave is allowed. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for accruing accumulating rights to receive sick pay benefits.

### K. Fund Equity

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

## NOTES TO FINANCIAL STATEMENTS

### L. Interfund Transactions

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

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

### M. Memorandum Only - Total Columns

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 position, results of operations or changes in financial position 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.

### N. Comparative Data

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

### O. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village purchases commercial insurance policies at levels which management believes is adequate to protect the Village. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

## Note 2. Legal Compliance - Budgets

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

1. The Village clerk prepares a proposed budget for submission to the Mayor and Board of Aldermen no later than 15 days prior to the beginning of the ensuing fiscal year.

## NOTES TO FINANCIAL STATEMENTS

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least 10 days after publication of the call for the hearing.
4. After the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. Formal budgetary integration is employed as a management control device during the year for the General Funds.
7. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments are not material in relation to the original appropriations.

### Note 3. Deposits and Investments

At year end, the carrying amount of the Village's deposits and investments was \$220,637. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance and/or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually agreeable to both parties.

At December 31, 1995, the Village had \$291,449 in deposits (collected bank balances). These deposits were fully secured from risk by \$140,456 of federal deposit insurance and \$249,757 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GAAP Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 50:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 30 days of being notified by the Village that the fiscal agent bank has failed to pay deposited funds upon demand.

Certificates of deposit having a maturity of over three months and, therefore, included as investments were \$113,690 and \$111,066 at December 31, 1995 and 1994, respectively.

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Receivables

Receivables at December 31, 1995, consist of the following:

	General	Special Business	Estimates	Total
Receivables:				
Taxes	\$ 5,014	\$ -	\$ -	\$ 5,014
Accounts	-	-	8,849	8,849
Intergovernmental	25,832	4,880	-	30,712
Gross receivables	29,846	4,880	8,849	43,575
Less allowance for uncollectible	-	-	877	877
Net total receivables	<u>\$29,846</u>	<u>\$4,880</u>	<u>\$8,849</u>	<u>\$43,575</u>

### Note 5. Fixed Assets

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

	Balance December 31, 1994	Additions	Disposals	Balance December 31, 1995
Land	\$ 18,800	\$ -	\$ -	\$ 18,800
Buildings	185,868	-	-	185,868
Improvements other than buildings	56,982	-	-	56,982
Equipment	428,378	21,234	-	449,612
Total	<u>\$830,028</u>	<u>\$21,234</u>	<u>\$-</u>	<u>\$851,262</u>

The following is a summary of proprietary fund type, enterprise fund fixed assets at December 31, 1995:

Water system	\$ 244,080
Less accumulated depreciation	<u>144,631</u>
Net fixed assets	<u>\$ 99,449</u>

In the enterprise fund, the following estimated useful lives are used to compute depreciation:

Water system	50-55 years
Equipment	3-10 years

## NOTES TO FINANCIAL STATEMENTS

### Note 6. Interfund Assets/Liabilities

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
General	Enterprise	\$ 2,720
General	Capital Projects	<u>23</u>
		<b>\$2,743</b>

### Note 7. Retirement Commitments

#### Municipal Employees Retirement System of Louisiana (MERS)

##### Plan Description and Provisions:

All of the Village's full-time general employees participate in the MERS, cost-sharing multiple employer public retirement system (PERC). The payroll for employees covered by the MERS for the year ended December 31, 1995 was \$53,376; the Village's total administrative and public works department payroll was \$101,963.

Employees attaining the age of 50 with 10 years of creditable service, age 55 with 25 years of creditable service or any age with 30 years of creditable service, are entitled to a monthly benefit of 3% of their average monthly earnings as defined in the plan for each year of creditable service. The plan permits early retirement at certain ages upon satisfying years of service requirements. Active employees who become disabled receive 3% of their average monthly earnings in effect at the time of disability, as defined in the plan for each year of creditable service. Disability benefits are paid until the earlier of death, recovery from disability or attainment of normal retirement age. If an employee dies, his unmarried spouse and/or children receive a lump-sum payment, not to exceed 60% of the member's final compensation. The surviving unmarried spouse of a member eligible for normal retirement receives the initial lump sum followed by monthly payments for life.

If a member's employment is terminated before the member is eligible for any other benefits under MERS, the member shall receive a refund of his member contributions.

##### Description of Funding Policy:

Covered employees are required by State statute to contribute 9.25% of their salary to MERS. The Village is required by this statute to contribute the remaining amount necessary to pay benefits when due. The contribution requirement for the year ended December 31, 1995 was \$8,110, which consisted of \$3,173 (3.9% of covered payroll) from the Village and \$4,937 (9.25% of covered payroll) from employees.

## NOTES TO FINANCIAL STATEMENTS

The amount reported below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERs and employers. The MERS does not conduct separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation at June 30, 1995, for the MERS as a whole, determined through an actuarial valuation performed as of that date, was \$287.5 million. The MERS net assets available for benefits on that date (valued at cost) were \$335.7 million, resulting in an unfunded pension benefit obligation of \$61.8 million. The Village's contribution represented .04% of total contributions required of all participating employers.

### Trend information:

Ten-year historical trend information presenting the MERS' progress in accumulating sufficient assets to pay benefits when due is presented in the June 30, 1995 comprehensive annual financial reports.

### Municipal Police Employees' Retirement System (MPERS)

#### Plan description and provisions:

The Village's full-time police employees participate in the MPERS, cost-sharing multiple employer public retirement system (PERC). The payroll for employees covered by the MPERS for the year ended December 31, 1995, was \$36,190; the Village's total police payroll was \$61,078.

Employees attaining age 55 with 10 years of creditable service or age 58 with 20 years of creditable service, are entitled to a monthly benefit of 50% of their average monthly earnings as defined in the plan for each year of creditable service. Active employees with five years of service who become disabled receive up to 60% of their average final compensation at the time of disability. Disability benefits are paid until the earlier of death, recovery from disability or attainment of normal retirement age. If an employee dies, his surviving spouse receives payment, not to exceed 60% of the member's average final compensation for life. The beneficiary children under 18 receive \$100 per month until graduation from high school or college.

If a member's employment is terminated before the member is eligible for any other benefits under MPERS, the member shall receive a refund of his member contributions.

## NOTES TO FINANCIAL STATEMENTS

### Description of funding policy:

Covered employees are required by state statute to contribute 7.5% of their salaries to MPERS. The Village is required by this statute to contribute the remaining amount necessary to pay benefits when due. The contribution requirement for the year ended December 31, 1995, was \$6,690 which consisted of \$3,900 (11% of covered payroll) from the Village and \$2,717 (7.5% of covered payroll) from employees.

The amount reported below as "pension benefit obligation" is standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among governmental pension plans and employers. The MPERS does not conduct separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation at June 30, 1995, for the MPERS as a whole, determined through an actuarial valuation performed as of that date, was \$793.9 million. The MPERS net assets available for benefits on that date (valued at cost) were \$755.5 million, resulting in an excess of net assets available of \$18.5 million. The Village's contribution represented .04% of total contributions required of all participating employers.

### Trend information:

Ten-year historical trend information presenting the MPERS' progress in accumulating sufficient assets to pay benefits when due is presented in the June 30, 1995, comprehensive annual financial reports.

### Note 8. Lease Commitments

On August 31, 1995, the Village entered into a municipal lease agreement with Emergency One, Inc. for the lease of a fire truck. The terms of the lease are for eight annual rental payments of \$35,511. The payments bear interest at 5.58%. The lease is cancellable on any anniversary date or at any time by paying a pro rata portion of the annual payment due. The lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is an analysis of equipment leased under capital leases as of December 31, 1995:

	<u>General Fixed Assets</u>
Fire truck	\$,212,682

## NOTES TO FINANCIAL STATEMENTS

Although the lease has a nonappropriation cancellation provision, the following is a schedule of the future minimum lease payments anticipated under this capital lease and the present value of the net minimum lease payments at December 31, 1993:

	<u>General Long- Term Debt</u>
1996	\$ 35,561
1997	35,562
1998	35,562
1999	35,562
2000	<u>35,561</u>
Total minimum lease payments	177,588
Less amount representing interest	<u>31,581</u>
Present value of future minimum lease payments	<u>\$ 146,007</u>

### Note 9. Capital Project Grant

On October 17, 1991, the Village was awarded a Community Development Block Grant from the State of Louisiana for \$870,000 for the purchase, construction and tie-in of a sewer system for the Village. The Village has three years to complete the project. During the year ended December 31, 1993, the Village's engineering firm completed the specifications and identified the eligible (basically low income residents), and property was purchased for the plant site. Topographical surveying was completed as well as preliminary planning and the majority of the final planning. During the year ended December 31, 1994 construction of the plant and connections to the system was substantially completed.

### Note 18. Prior Year Amounts

Some of the amounts presented in the prior year have been reclassified to conform to the current year presentation.



**INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS**

## GENERAL FUND

The General Fund is used to account for resources, traditionally associated with governments, which are not required legally or by sound financial management to be accounted for in another fund.

**VILLAGE OF GROSSE TETE, LOUISIANA**  
**GENERAL FUND**

**COMPARATIVE BALANCE SHEETS**  
 December 31, 1995 and 1994

	1995	1994
<b>ASSETS</b>		
Cash and cash equivalents	\$ 105,691	\$ 68,345
Investments	79,810	77,678
Receivables:		
Taxes	5,014	4,188
Intergovernmental	23,802	22,645
Due from other fund	2,764	10,773
Total assets	\$ 217,081	\$ 211,629
<b>LIABILITIES</b>		
Accounts and payroll taxes payable	\$ 14,492	\$ 29,285
<b>FUND BALANCE</b>		
Unreserved - undesignated	202,605	202,644
Total liabilities and fund balance	\$ 217,097	\$ 211,629

See Notes to Financial Statements

VILLAGE OF GROSSE TETE, LOUISIANA  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
December 31, 1995 and 1994

	1995	1994
<b>Revenues:</b>		
Taxes	\$ 25,073	\$ 21,872
Licenses and permits	24,451	22,429
Intergovernmental	228,887	218,559
Fees	22,737	82,443
Interest	5,918	4,121
Miscellaneous	60	2,228
<b>Total revenues</b>	<u>328,242</u>	<u>329,452</u>
<b>Expenditures:</b>		
Current -		
General government	76,024	72,768
Public safety	121,889	98,875
Highways and streets	82,991	82,208
Health	2,604	403
Culture and recreation	2,804	10,828
<b>Total current expenditures</b>	<u>272,342</u>	<u>265,682</u>
Capital outlay -		
General government	11,808	22,261
Public safety	9,706	5,735
Highways and streets	820	-
<b>Total capital outlay</b>	<u>22,334</u>	<u>28,000</u>
<b>Total expenditures</b>	<u>294,676</u>	<u>293,682</u>
<b>Excess of revenues over expenditures</b>	42,999	36,502
<b>Other financing (uses):</b>		
Operating transfers out	<u>(24,800)</u>	<u>(26,000)</u>
<b>Excess of revenues and other financing sources over expenditures and other uses</b>	18,199	12,502
<b>Fund balance, beginning</b>	183,644	171,142
<b>Residual equity transfer</b>	<u>(20)</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 201,843</u>	<u>\$ 183,644</u>

See Notes to Financial Statements.

VILLAGE OF GROSSE TETE, LOUISIANA  
GENERAL FUND

EXHIBIT 14

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL,  
Year Ended December 31, 1993 and 1994

	1993			1994		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Trans -						
Funding	\$ 18,000	\$ 21,073	\$ 3,073	\$ 21,000	\$ 21,452	\$ 452
Licenses and permits -						
Business	20,000	21,491	1,491	20,000	23,458	3,458
Intergovernmental -						
State government	-	1,807	1,807	-	-	-
Operating - shared						
State shared revenues	68,000	48,824	(19,176)	68,000	42,423	(25,577)
Voting year	3,500	3,288	(212)	3,258	3,378	120
Tuition fee	1,100	1,373	273	1,100	1,428	328
Accounts receivable fee	-	-	-	-	284	284
Revenue sharing						
Revenue from shared revenues:						
Sales and use tax	125,000	111,249	(13,751)	125,000	120,887	(4,113)
Franchise	38,000	35,793	(2,207)	38,000	32,883	(5,117)
Interest	8,000	5,376	(2,624)	8,000	4,491	(3,509)
Miscellaneous	-	85	85	-	2,238	2,238
Total revenues	322,000	328,362	6,362	322,000	328,451	6,451
<b>Expenditures:</b>						
Current -						
General government	18,028	19,004	976	18,408	12,728	(5,680)
Public safety	68,488	122,888	54,400	67,008	68,878	1,870
Highways and streets	54,500	55,881	1,381	55,000	52,308	(2,692)
Water	2,000	2,854	854	2,100	283	(817)
Culture and recreation	3,000	2,824	(176)	3,100	19,808	16,708
Total current expenditures	147,016	213,455	66,439	145,616	253,804	108,188

VILLAGE OF CROSSE TEE, LOUISIANA  
CENTRAL FUND

(Cont'd)

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)  
Years Ended December 31, 1983 and 1984

	1983		1984		Variance Favorable (Adverse)
	Budget	Actual	Budget	Actual	
Capital outlay -					
General government	-	\$ 11,000	\$	\$ 22,287	\$ (11,287)
Public safety	11,500	8,750	8,750	8,750	(2,750)
Highways and streets	800	800	-	-	-
Total capital outlay	12,300	20,550	8,750	31,037	(18,487)
Total expenditures	281,300	288,000	232,200	288,851	(6,851)
Excess of revenues over expenditures	28,500	41,280	18,800	28,900	(10,380)
Other financing (loan):					
Operating transfers-in	(78,000)	(74,000)	(8,000)	(28,000)	30,000
Excess of revenues and other financing sources over expenditures and other debt	28,500	41,280	10,800	10,900	(30,380)
Fund balance, beginning	781,044	810,544	-	171,140	639,404
Unaffiliated equity transfer	-	(500)	(500)	-	500
Fund balance, ending	781,044	809,544	(500)	171,140	638,904

See Note to Financial Statements

VILLAGE OF GROESBECK TOWNSHIP, LOUISIANA  
GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
Years Ended December 31, 1993 and 1994

Account	1993			1994		Variance Favorable (Unfavorable)	Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual		
<b>Current:</b>							
General government -							
Salaries	\$ 29,000	\$ 27,048	\$	\$ 28,800	\$ 28,848	\$	\$ (848)
Pay fees	1,800	7,200	600	8,500	7,200	1,300	1,300
Commutation, meals and travel	6,000	5,000	(500)	6,000	6,889	889	889
Furniture/office	6,000	6,248	212	5,500	5,814	(686)	(686)
Telephone/PC/office	4,000	3,196	(804)	3,000	2,748	252	252
Transportation and utilities	1,100	1,028	(72)	1,100	1,480	(380)	(380)
Printing, printing and office supplies	1,800	2,211	411	1,800	1,284	516	516
Postage and subscriptions	700	711	11	800	800	0	0
Official journal	700	873	173	800	788	12	(12)
Miscellaneous	17,000	17,214	214	8,800	11,027	(2,227)	(2,227)
Building maintenance	600	600	0	3,000	3,000	0	0
<b>Total general government</b>	<b>78,200</b>	<b>78,028</b>	<b>172</b>	<b>88,400</b>	<b>92,788</b>	<b>(4,388)</b>	<b>(4,388)</b>
Public safety -							
Police department							
Salaries	88,700	88,240	460	44,000	62,700	18,700	18,700
Equipment	3,000	3,544	544	3,000	3,000	0	0
Uniforms	600	607	7	3,400	3,176	224	224
Vehicle repairs	71,000	74,499	3,499	11,000	16,100	(5,100)	(5,100)
Telephone	2,000	-	(2,000)	2,000	-	2,000	2,000
Tools and supplies	2,000	2,158	158	7,400	6,900	500	500
Miscellaneous	3,000	3,471	471	4,200	3,900	300	300
Insurance and bonds	18,000	18,288	288	12,000	11,171	829	829
<b>Total police department</b>	<b>190,200</b>	<b>191,218</b>	<b>1,018</b>	<b>110,000</b>	<b>106,554</b>	<b>3,444</b>	<b>3,444</b>
Fire department:							
Miscellaneous	50	98	48	-	51	51	51
<b>Total fire department</b>	<b>50</b>	<b>98</b>	<b>48</b>	<b>-</b>	<b>51</b>	<b>51</b>	<b>51</b>
<b>Total fire safety</b>	<b>50,450</b>	<b>53,088</b>	<b>2,638</b>	<b>110,000</b>	<b>106,605</b>	<b>3,438</b>	<b>3,438</b>

VILLAGE OF ORCHARD TERR, ILLINOIS  
GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (Continued)  
Year Ended December 31, 1998 and 1997

	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Highways and streets -						
Labor	\$ 21,150	\$ 21,750	\$ 600	\$ 20,500	\$ 20,400	\$ 100
Electricity	45,750	52,758	7,008	53,000	53,871	871
Equipment operators	12,000	12,458	458	12,000	12,589	589
Street-sweeping, fuel and supplies	7,400	7,400	-	7,500	7,500	-
Repairs	14,000	12,875	1,125	13,000	13,508	508
Miscellaneous	2,000	2,007	7	-	414	414
Telephone and office	1,500	1,507	7	800	1,213	413
Total highways and streets	\$ 117,350	\$ 132,855	\$ 15,505	\$ 116,800	\$ 133,502	\$ 16,702
Health -						
Sig. work	2,000	2,278	278	2,000	-	2,000
Miscellaneous	300	300	-	300	300	-
Total health	2,300	2,578	278	2,300	300	1,978
Cultural and recreation -						
Miscellaneous	2,000	2,000	-	11,000	10,900	100
Total cultural expenditures	2,000	2,000	-	11,000	10,900	100
Capital outlay -						
General government	-	17,800	17,800	-	23,200	23,200
Public safety - police	65,700	67,700	2,000	67,000	67,700	700
Highways and streets	800	800	-	-	-	-
Miscellaneous utility expenditures	52,600	52,150	450	52,000	52,000	-
Total capital expenditures	\$ 119,100	\$ 138,450	\$ 19,350	\$ 119,000	\$ 143,900	\$ 24,900
Total expenditures	\$ 238,750	\$ 274,655	\$ 35,905	\$ 238,600	\$ 288,802	\$ 50,202

See Note 1 General Fund



## **SPECIAL REVENUE FUND**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Grosse Tete Volunteer Fire District - this fund is used to account for the receipt of dedicated revenues from the parish police jury for fire protection services.

**VILLAGE OF GROSSE TETE, LOUISIANA**  
**VOLUNTEER FIRE DISTRICT SPECIAL REVENUE FUND**

**COMPARATIVE BALANCE SHEETS**  
**December 31, 1995 and 1994**

	1995	1994
<b>ASSETS</b>		
Cash	\$ 5,950	\$ 10,578
Investments	27,544	28,281
Due from other governments	4,900	5,199
Total assets	\$ 37,894	\$ 44,058
<b>LIABILITIES</b>		
Accounts payable	\$ 730	\$ 1,000
Accrued expenses	3,538	4,900
Due to other funds	-	8,000
Total liabilities	4,268	13,900
<b>FUND BALANCE</b>		
Reserved for fire protection	33,626	28,073
Total liabilities and fund balance	\$ 37,894	\$ 44,058

(See Notes to Financial Statements.)

**VILLAGE OF GROSSE TETE, LOUISIANA  
VOLUNTEER FIRE DISTRICT SPECIAL REVENUE FUND**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
December 31, 1995 and 1994**

	1995	1994
<b>Revenues:</b>		
Intergovernmental -		
Iberville Parish operating grant	\$ 64,587	\$ 60,800
State Department of Agriculture	2,301	3,135
Interest on investments	3,550	732
	70,438	64,667
<b>Expenditures:</b>		
Current -		
Public safety-fire	29,290	27,355
Capital outlays	10,729	4,700
Debt service		
Principal	23,810	22,275
Interest	11,128	10,696
	64,937	64,934
Excess (deficiency) of revenues over (under) expenditures	4,501	(1,867)
Fund balance, beginning	29,913	36,380
Fund balance, ending	\$ 34,414	\$ 34,513

See notes to Financial Statements

VILLAGE OF GIBBSVILLE, LOUISIANA  
 VOLUNTARY FIRE DEPARTMENT SPECIAL REVENUE FUNDS

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 Years Ended December 31, 2011 and 2010

	2011		2010		
	Budget	Actual	Yariance Favorable (Unfavorable)	Budget	Yariance Favorable (Unfavorable)
<b>Revenues:</b>					
Intergovernmental	87,000	84,847	2,153	85,000	1,153
Service funds operating grant	3,400	3,341	59	3,300	41
State (Department of Agriculture operating grant)	3,100	3,050	50	3,100	50
Interest					
<b>Total revenues</b>	<u>93,500</u>	<u>91,238</u>	<u>2,262</u>	<u>91,400</u>	<u>1,154</u>
<b>Expenditures:</b>					
Current:					
Public utility - fire department	13,000	10,561	2,439	14,000	2,439
Insurance	1,000	1,000	0	4,400	3,400
Microelectronics	5,000	3,796	1,204	3,000	1,996
Maintenance	1,000	1,000	0	170	830
Professional services	1,000	1,200	(200)	1,000	200
Supplies	1,000	1,312	(312)	1,000	312
Utilities					
<b>Capital outlay</b>	<u>5,000</u>	<u>28,280</u>	<u>(23,280)</u>	<u>5,000</u>	<u>(18,280)</u>
<b>Total expenditures</b>	<u>24,000</u>	<u>49,739</u>	<u>(25,739)</u>	<u>29,000</u>	<u>(27,846)</u>
<b>Net revenue</b>					
Public utility - fire department	74,500	73,677	823	67,400	7,077
Service funds operating grant	3,400	3,341	59	3,300	41
State (Department of Agriculture operating grant)	3,100	3,050	50	3,100	50
Interest					
<b>Total revenues</b>	<u>81,000</u>	<u>80,068</u>	<u>932</u>	<u>73,800</u>	<u>7,268</u>
<b>Capital outlay</b>	<u>5,000</u>	<u>28,280</u>	<u>(23,280)</u>	<u>5,000</u>	<u>(18,280)</u>
<b>Total expenditures</b>	<u>86,000</u>	<u>108,348</u>	<u>(22,348)</u>	<u>78,800</u>	<u>(6,532)</u>
<b>Change in fund balance</b>					
Beginning	1,000	1,000	0	1,000	0
Revenues in excess of expenditures	1,000	1,000	0	1,000	0
Capital outlay	(5,000)	(28,280)	23,280	(5,000)	3,280
<b>Total change in fund balance</b>	<u>(3,000)</u>	<u>(28,280)</u>	<u>25,280</u>	<u>(9,000)</u>	<u>(6,720)</u>
<b>Ending</b>	<u>(2,000)</u>	<u>(27,280)</u>	<u>25,280</u>	<u>(8,000)</u>	<u>(3,440)</u>

See notes to Financial Statements

## **CAPITAL PROJECT FUND**

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Sewer Construction Fund** - This fund is used to account for the receipt and subsequent expenditures of funds received from the State of Louisiana through the U. S. Department of Housing and Urban Development for the construction and connection of a sewer treatment facility and sewer lines.

**VILLAGE OF GROSSE TETE, LOUISIANA  
SEWER CONSTRUCTION CAPITAL PROJECT FUND**

**COMPARATIVE BALANCE SHEETS  
December 31, 1995 and 1994**

	<u>1995</u>	<u>1994</u>
<b>ASSETS</b>		
Cash	\$ 21	\$ 21
Receivables - Intergovernmental	<u>-</u>	<u>14,209</u>
Total assets	<u>\$ 21</u>	<u>\$ 14,230</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 14,209
Due to other funds	<u>21</u>	<u>50</u>
Total liabilities	21	14,259
<b>FUND BALANCE</b>		
Reserved for sewer improvements	<u>-</u>	<u>(29)</u>
Total liabilities and fund balance	<u>\$ 21</u>	<u>\$ 14,230</u>

See Note to Financial Statements

**VILLAGE OF GROSSE TETE, LOUISIANA  
SEWER CONSTRUCTION CAPITAL PROJECT FUND**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
<b>REVENUES:</b>		
Intergovernmental		
State of Louisiana CD&G	\$ -	\$ 577,028
<b>EXPENDITURES:</b>		
Capital outlays	-	577,028
Excess of revenues over expenditures	-	-
Fund balance, beginning	(29)	(29)
Residual equity transfer	<u>29</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ (29)</u>

See Note to Financial Statements

## ENTERPRISE FUND

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

The Utility Fund is used to account for the provision of water and sewer service to the residents of the Village.



**VILLAGE OF GROSSE TETE, LOUISIANA**  
**ENTERPRISE FUND**

**COMPARATIVE BALANCE SHEETS**

December 31, 1995 and 1994

	1995	1994
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,334	\$ 1,454
Investments	6,736	6,736
Accounts receivable, net of allowance for uncollectibles 1995, \$277; 1994, \$268	6,137	6,917
Total current assets	14,207	15,107
<b>PLANT AND EQUIPMENT, at cost, net of accumulated depreciation 1995, \$144,631; 1994, \$138,573</b>		
	99,659	60,334
Total assets	\$ 115,701	\$ 104,441
<b>LIABILITIES AND FUND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 6,695	\$ 4,337
Due to other funds	2,723	2,723
Total current liabilities	9,418	7,060
<b>FUND EQUITY</b>		
Contributed capital	123,646	123,646
Accumulated deficit: Unreserved	(16,736)	(32,195)
Total liabilities and fund equity	\$ 115,701	\$ 104,441

See notes to financial statements.

**GENERAL FIXED ASSETS ACCOUNT GROUP**

**VILLAGE OF GROSSE TETE, LOUISIANA**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE**  
**December 31, 1995 and 1994**

	1995	1994
<b>GENERAL FIXED ASSETS, at cost</b>		
Land	\$ 19,969	\$ 19,969
Buildings and improvements	185,989	185,959
Office equipment and furniture	13,854	13,854
Equipment	113,688	93,495
Vehicles	301,828	301,828
Park	22,780	22,780
Water lines and hydrants	7,362	7,362
	<b>\$ 664,600</b>	<b>\$ 635,388</b>
 <b>INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE</b>		
Acquired prior to July 1, 1974*	\$ 70,372	\$ 70,372
Acquired after June 30, 1974 from:		
General fund revenues	594,228	565,016
	<b>\$ 664,600</b>	<b>\$ 635,388</b>

\*Records reflecting source from which assets were acquired were not maintained prior to July 1, 1974.

## OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF GROSSE TETE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE  
December 31, 1998  
(Unaudited)

Exhibit 1

Insurer	Coverage	Risk	Level of Coverage	Expiration
Employer's Mutual Casualty Company	Police chief	Deliveries	\$5,000	9/1/99
Employer's Mutual Casualty Company	Public employees	Deliveries	\$10,000	9/1/98
Aviation Insurance Company	Vehicle fleet	Collision and comprehensive	ACT	12/31/98
Louisiana Farm Bureau Mutual	All Village owned property	Fire and extended coverage	\$100,000	12/31/98
Louisiana Municipal Association Liability Program	All Village owned property and subsidiaries	Comprehensive general liability and automobile liability	Combined single limit \$200 M	9/1/98
Louisiana Municipal Association	All employees	Workers' compensation	Statutory	1/1/98
Louisiana Municipal Association	Law-enforcement officers	Comprehensive liability	Combined single limit \$200 M	9/1/98
Louisiana Municipal Association	Public officials	Crisis and elections	Combined single limit \$500 M	9/1/98

## VILLAGE OF GROSSE TETE, LOUISIANA

SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
For the Year Ended December 31, 1995

Philip Saucio, Mayor	\$	7,200
Richard David, Alderman		2,400
Juanita R. Hill, Alderman		2,400
Michael Chaufoe, Alderman		<u>2,400</u>
	\$	<u>14,400</u>

# H. J. Lowe & Company, L.L.C.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Honorable Mayor and Members  
of the Board of Aldermen  
Village of Grease Tete, Louisiana

We have audited the general purpose financial statements of the Village of Grease Tete, Louisiana, and the individual fund and account group financial statements of the Village of Grease Tete, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated May 17, 1996. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Village of Grease Tete, Louisiana, taken as a whole and on the combining, individual fund and account group financial statements. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the financial statements of the Village of Grease Tete, Louisiana. The information in this schedule has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements of each of the respective individual funds and account groups financial statements, taken as a whole.

*H. J. Lowe & Company, L.L.C.*

May 17, 1996

VILLAGE OF GROUSE TEELE, LOUISIANA  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 Year Ended December 31, 1989

Federal Grant/Program Title	State Grant Number	EYFA Number	Program or Activity Number	Received December 31, 1989	Year Ended December 31, 1989		December 31, 1989	
					Received	Expended	Revised Available	Unavailable
Major	19-0027	14-028	0	14,028	0	14,028	0	0

U.S. Department of HUD  
 HUD-88-1 - State Comptrollers  
 from throughout the State of Louisiana



# H. J. Lowe & Company, L.L.C.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE 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  
Village of Grease Tete, Louisiana

We have audited the general purpose financial statements of the Village of Grease Tete, Louisiana, and the individual fund and account group financial statements of the Village of Grease Tete, Louisiana, for the year ended December 31, 1995, and have issued our report thereon dated May 17, 1996.

We conducted our audit in accordance with generally accepted auditing standards and "Government Auditing Standards," issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Village of Grease Tete, Louisiana is the responsibility of the Village's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the Village of Grease Tete, Louisiana complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Village had not complied, in all material respects, with those provisions.

Although the results of our tests of compliance disclosed no material instances of noncompliance, we did note certain conditions and events that we believe constitute immaterial instances of noncompliance. Such conditions and events are described in the accompanying schedule of compliance findings.

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

H.S. Howe & Company, L.L.C.

May 17, 1999

VILLAGE OF GROSSE TETE, LOUISIANA  
SCHEDULE OF COMPLIANCE FINDINGS  
Year Ended December 31, 1995

Immaterial Instances of Noncompliance

• **Finding 1**

• **Condition:**

The Village purchased party supplies, food, and beverages for a Christmas party for the children in the Village.

• **Criteria:**

The Louisiana Constitution of 1904, Article T, Section 14A prohibits the donation of funds or property to any person. Attorney General opinion 82-737 affirms that expenditures for parties are prohibited.

• **Cause:**

The condition appears to have been caused because management was unaware of the provisions of the constitution or the Attorney General's opinions.

• **Recommendation:**

Management should cease this practice.

• **Response:**

We will cease this practice.

## H. J. Lowe & Company, L.L.C.

Certified Public Accountants

### **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members  
of the Board of Aldermen  
Village of Grosse Tete, Louisiana

We have audited the general purpose financial statements of the Village of Grosse Tete, Louisiana, and the individual fund and account group financial statements of the Village of Grosse Tete, Louisiana, for the year ended December 31, 1995, and have issued our report thereon dated May 17, 1996.

We conducted our audit in accordance with generally accepted auditing standards and "Government Auditing Standards," issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Village of Grosse Tete, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Village of Grosse Tete, Louisiana for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of

expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The matter that we consider to be a reportable condition is described in the accompanying schedule of internal control structure reportable conditions.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the reportable condition described in the accompanying schedule of internal control structure reportable conditions and other matters is a material weakness.

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

*H. J. Lewis & Company, L.L.C.*

May 17, 1990

VILLAGE OF GROSSE TETE, LOUISIANA  
SCHEDULE OF INTERNAL CONTROL STRUCTURE REPORTABLE CONDITIONS  
Year Ended December 31, 1995

Reportable Conditions

Material Weakness

• Finding

• Condition:

The Village was not large enough to permit an adequate segregation of employee duties for effective internal accounting control over the cash receipts, disbursements, and financial reporting cycles.

• Criteria:

The recording of receipts and disbursements under the control of one person represents a failure to segregate incompatible accounting activities.

• Effect:

The condition is such that errors, either intentional or unintentional, in the processing of receipts and disbursements, could occur and not be detected in a timely manner and in the ordinary course of operations.

• Cause:

The size of the Village and the limited number of employees did not permit an adequate segregation of incompatible duties.

• Recommendation:

To the extent that it is practical to do so, Management should segregate employee duties and perform supervisory reviews.

• Response

We recognize the problem and we perform supervisory reviews to mitigate the effect, however based on the size of the Village, there is nothing else that we can do that is cost effective.

VILLAGE OF GROSSE TETE, LOUISIANA  
INDEPENDENT AUDITOR'S COMMENTS ON  
RESOLUTION OF PRIOR AUDIT FINDINGS

Year Ended December 31, 1995

The matter listed in the Schedule of Internal Control Structure Reportable Conditions is a repeat of prior year's findings. The other findings reported in the prior year have been satisfactorily resolved.