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CITY OF GRAND ISLE
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**TOWN OF GRAND ISLE
LOUISIANA**

FINANCIAL REPORT

For the Seven Months Ended January 31, 1997

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Release Date 4/6/97

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FINANCIAL SECTION

Paul C. Rivera, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Arthur Hollinger, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, as of and for the seven months ended January 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

I was unable to obtain sufficient evidential matter from the Town to support the balances and financial activity in the appearance bond deposit liability account and the fines and forfeitures revenue account, nor was I able to satisfy myself as to those balances and financial activities by other auditing procedures. These balances and activities represent 41 percent and 4 percent of the liabilities and revenues, respectively, of the Town's General Fund.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to obtain sufficient records relating to the appearance bond deposit liability and the fines and forfeitures revenues, or had I been able to satisfy myself as to these balances and financial activities by other auditing procedures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town as of January 31, 1993, and the results of its operations and the cash flows of its proprietary fund types for the seven months then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated July 8, 1993 on my consideration of the Town's internal control structure and a report dated July 8, 1993 on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Combining and Individual Fund Statements and Schedules and the Other Supplementary Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Grand Lake, Louisiana. This information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, except for the effects of the items noted in the third paragraph, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Paul R. Rain, CPA
July 8, 1993

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWNSHIP OF GRAND ISLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JANUARY 31, 1987

ACCOUNTS	GOVERNMENTAL FUNDFUNDS	
	GENERAL	SPECIAL REVENUE
Cash and cash equivalents	\$ 100,000	\$ 248,000
Receivables net	507,000	60,000
Due from other funds	0	60,000
Inventory of stock	0	0
Prepaid items	7,000	10,000
Interfund receivables	0	0
Fixed and other investments	0	0
Deposits, grants and equipment, not available for expenditure	0	0
Advances of general long-term debt	0	0
TOTAL ASSETS	\$ 514,000	\$ 378,000
LIABILITIES, EQUITY AND OTHER FUNDS		
Accounts payable	\$ 0	\$ 31,000
Accounts receivable - related facilities	1,000	0
Due to other funds	70,000	1,000
Interfund fund deposits	10,000	0
Due to taxing bodies and other	0	0
Interfund payable	0	0
Payable to non-restricted assets	0	0
Unexpended deposits	0	0
Due to other funds	0	0
Capital lease liability	0	0
TOTAL LIABILITIES	\$ 71,000	\$ 32,000
Equity and other funds	0	0
Investment in general fund assets	0	0
Unexpended capital	0	0
Unexpended savings	0	0
Reserve	0	0
Unexpended	0	0
Fund Balance	11,000	61,000
Reserve of Unexpended	0	0
Unexpended	0	0
Unexpended	124,000	60,000
TOTAL EQUITY	\$ 135,000	\$ 61,000
TOTAL EQUITY AND OTHER FUNDS	\$ 135,000	\$ 61,000
TOTAL LIABILITIES, EQUITY AND OTHER FUNDS	\$ 206,000	\$ 93,000

	PROPERTY AND EQUIPMENT	FISCAL YEAR	ACCOUNT GROUPS			TOTAL (PROPERTY AND EQUIPMENT)
			GENERAL FUNDS	GENERAL LONG-TERM FUND		
	AGENCY					
4.	25,773.3	10,000.0	0.0	0.0	35,773.3	
	80,481	0	0	0	80,481	
	1,000	0	0	0	1,000	
	48,800	0	0	0	48,800	
	1,000	0	0	0	1,000	
	0	0	0	0	0	
	129,054	0	0	0	129,054	
	0	0	0	10,000	10,000	
5.	229,054	10,000	0	10,000	249,054	
6.	46,800.0	0.0	0.0	0.0	46,800.0	
	0	0	0	0	0	
	0	0	0	0	0	
	0	0	0	0	0	
	0	1,000	0	0	1,000	
	0	1,000	0	0	1,000	
	42,800	0	0	0	42,800	
	4,000	0	0	0	4,000	
	0	0	0	44,800	44,800	
	46,800	0	0	44,800	91,600	
	0	0	0	0	0	
	0	0	149,000	0	149,000	
	44,800	0	0	0	44,800	
	149,000	0	0	0	149,000	
	44,700	0	0	0	44,700	
	0	0	0	0	0	
	0	0	0	0	0	
	0	0	0	0	0	
	0	0	0	0	0	
	234,000	0	0	0	234,000	
	234,000	0	149,000	0	383,000	
7.	1,200,000.0	50,000.0	2,000,000.0	44,000.0	3,204,000.0	

TOWN OF GRAND ISLE, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997**

REVENUES	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUES	TOTAL (GENERAL FUND ONLY)
Taxes	\$ 304,703	\$ 26,750	\$ 331,453
Licenses and permits	9,624	0	9,624
Intergovernmental	419,081	82,470	501,551
Grants, fees and commissions	11,292	180,758	192,050
Fees and forfeitures	44,840	0	44,840
Charges for services	151,263	24,480	175,743
Miscellaneous	9,624	11,067	20,691
TOTAL REVENUES	940,987	244,565	1,185,552
EXPENDITURES			
Current			
General government	752,034	0	752,034
Public safety	229,973	40,108	270,081
Public works	294,934	300,699	595,633
Health and welfare	0	17,486	17,486
Culture, recreation and tourism	14,700	88,086	102,786
TOTAL EXPENDITURES	1,291,641	466,379	1,758,020
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(350,654)	(221,814)	(572,468)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	11,059	6,337	17,396
Operating transfers out	(9,347)	(6,737)	(16,084)
TOTAL OTHER FINANCING SOURCES (USES)	1,712	(400)	(1,288)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(348,942)	(222,214)	(571,156)
FUND BALANCES			
Beginning of year	863,701	65,800	929,501
Residual equity transfers	0	0	0
End of year	\$ 514,759	\$ 65,397	\$ 580,156

TOWN OF GRAND ISLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ACTUAL AND BUDGET -
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	GENERAL FUNDS		VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL	BUDGET	
REVENUES			
Taxes	\$ 388,713	\$ 388,000	(\$7,000)
Licenses and permits	5,604	57,500	(\$51,896)
Intergovernmental	459,083	47,000	394,083
Grants, fees and commissions	10,200	20,000	(\$9,800)
Fines and forfeitures	41,843	130,000	(\$88,157)
Charges for services	101,083	206,800	(\$105,717)
Miscellaneous	4,800	89,000	(\$84,200)
TOTAL REVENUES	<u>1,012,006</u>	<u>1,144,300</u>	<u>(\$132,294)</u>
EXPENDITURES			
Current			
Direct government	751,044	461,888	289,156
Public safety	130,075	180,000	149,925
Public works	144,044	214,500	170,456
Health and welfare	0	0	0
Culture, recreation and tourism	15,700	28,000	12,300
TOTAL EXPENDITURES	<u>1,020,863</u>	<u>1,284,388</u>	<u>(\$263,525)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>(\$88,857)</u>	<u>(\$140,088)</u>	<u>(\$51,231)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	11,800	0	(\$11,800)
Operating transfers out	(\$4,747)	0	4,747
TOTAL OTHER FINANCING SOURCES (USES)	<u>7,053</u>	<u>0</u>	<u>(\$7,053)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES			
	<u>(\$81,804)</u>	<u>(\$140,088)</u>	<u>(\$58,284)</u>
FUND BALANCES			
Beginning of year	\$0,111	\$0,111	0
Residual equity transfers	0	0	0
End of year	<u>\$ (\$81,693)</u>	<u>\$ (\$140,000)</u>	<u>\$ (\$58,307)</u>

SPECIAL INVESTIVE FUNDS			TOTALS (DEPARTMENTAL ONLY)		
ACTUAL	BUDGET	VARANCE	ACTUAL	BUDGET	VARANCE
		(FAVORABLE (UNFAVORABLE))			(FAVORABLE (UNFAVORABLE))
\$ 10,710	\$ 20,000	\$ (9,290)	\$ 119,886	\$ 329,000	\$ (209,114)
0	0	0	0	71,000	(71,000)
90,470	200,000	(109,530)	107,804	300,000	(192,196)
118,708	188,000	(69,292)	127,708	304,000	(176,292)
0	0	0	48,000	150,000	(102,000)
25,492	48,000	(22,508)	176,508	308,000	(131,492)
25,887	8,000	17,887	34,891	98,000	(63,109)
<u>204,787</u>	<u>486,000</u>	<u>(281,213)</u>	<u>1,280,911</u>	<u>1,280,000</u>	<u>(88,089)</u>
0	0	0	752,000	461,854	(290,146)
40,118	0	40,118	279,080	380,144	(101,064)
50,689	278,208	(227,519)	649,674	681,160	(31,486)
37,888	47,000	(9,112)	37,888	47,000	9,112
88,000	192,712	(104,712)	189,688	220,177	(30,489)
<u>206,583</u>	<u>478,920</u>	<u>(272,337)</u>	<u>1,602,331</u>	<u>1,762,366</u>	<u>(160,035)</u>
<u>(84,811)</u>	<u>(20,000)</u>	<u>(64,811)</u>	<u>(81,881)</u>	<u>(28,400)</u>	<u>(53,481)</u>
4,117	0	4,117	17,358	31,000	(13,642)
(8,707)	(27,000)	18,293	(18,688)	(27,000)	8,312
<u>(4,590)</u>	<u>(27,000)</u>	<u>22,410</u>	<u>(1,330)</u>	<u>3,000</u>	<u>4,330</u>
<u>(88,687)</u>	<u>(14,712)</u>	<u>(73,975)</u>	<u>(64,533)</u>	<u>(14,400)</u>	<u>(50,133)</u>
89,182	64,800	24,382	1,791,023	1,095,823	695,200
0	0	0	0	0	0
<u>\$ 107,237</u>	<u>\$ 449,400</u>	<u>\$ (342,163)</u>	<u>\$ 425,718</u>	<u>\$ 1,081,823</u>	<u>\$ (656,105)</u>

TOWN OF MONROE, LOUISIANA

WATERWORKS AND GAS UTILITY FUND
 SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS - ACTUAL AND BUDGET
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	ACTUAL	BUDGET	VARIANCE (FAVORABLE OR UNFAVORABLE)
OPERATING REVENUES			
Water sales	\$ 298,308	\$ 298,300	(\$800)
Gas sales	97,000	107,000	10,000
Service charges	1,740	1,500	240
Installation charges	2,687	3,200	(513)
Delinquency penalties	9,491	16,800	(7,309)
Miscellaneous	115	1,500	(1,385)
Total Operating Revenues	<u>419,341</u>	<u>532,300</u>	<u>(112,959)</u>
OPERATING EXPENSES			
Personnel services	68,452	179,600	71,148
Contracted services	408,756	399,700	9,056
Materials and supplies	11,079	27,200	16,121
Contract and administrative	77,684	175,600	97,916
Depreciation and amortization	29,278	56,000	26,722
Depreciation on contributed assets	14,686	24,120	9,434
Total Operating Expenses	<u>609,935</u>	<u>1,062,220</u>	<u>452,285</u>
OPERATING INCOME (LOSS)	<u>(190,594)</u>	<u>(529,920)</u>	<u>339,326</u>
NON-OPERATING REVENUES/EXPENSES			
Interest income	11,374	12,000	626
Ad valorem taxes	89,246	89,800	554
Intergovernmental			
State - DDOT highway maintenance	6,700	12,700	16,000
Total Non-Operating Revenues/			
Expenses	<u>(10,624)</u>	<u>(10,700)</u>	<u>76</u>
INCOME (LOSS) BEFORE OPERATING			
TRANSFERS	<u>(91,020)</u>	<u>(91,544)</u>	<u>524</u>
OPERATING TRANSFERS OUT	3,400	0	3,400
OPERATING TRANSFERS IN	11,300	0	11,300
NET INCOME (LOSS)	<u>(176,344)</u>	<u>(173,288)</u>	<u>3,056</u>
Adjustment: Depreciation on contributed assets	24,600	24,120	(480)
RETAINED EARNINGS			
Beginning of Year	1,091,875	1,091,875	0
End of Year	<u>\$ 915,531</u>	<u>\$ 918,587</u>	<u>\$ 3,056</u>

TOWN OF GRAND ISLE, LOUISIANA

**ENTERPRISE FUND
STATEMENT OF CASH FLOWS
WATERWORKS AND GAS UTILITIES FUND
FOR THE YEAR ENDED JUNE 30, 1996**

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	\$ <u>(129,247)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation and amortization	50,677
Depreciation on contributed assets	25,126
(Increase) decrease in assets:	
Accounts receivable	31,847
Due from other funds	(1,848)
Inventory	(76,468)
Prepays	1,175
Increase (decrease) in liabilities:	
Accrued salaries	(952)
Customer deposits	660
Due to other funds	3,293
Net adjustments	<u>83,628</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(45,619)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Ad valorem taxes	75,231
Receipts under DDFO maintenance contract	12,708
Operating transfers out	(2,292)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>85,647</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of property and equipment	<u>(37,818)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>25,235</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(125,546)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	681,277
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>555,731</u>

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

January 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the TOWN OF GRAND ISLE, LOUISIANA (the "Town") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are detailed below.

1. Reporting Entity

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

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

Atchafalaya Town No. 2 of Jefferson Parish
Plogmound Town No. 16 of Jefferson Parish

The above noted Towns are legally separate entities from the town and are funded primarily by taxes and fees levied by the Parish of Jefferson. However, under agreement with the Parish, the entities are governed by the same elected officials that govern the Town. For financial reporting purposes, these entities are reported as if they were part of the town's operations.

2. Description of Activities

The Town was incorporated on June 15, 1899, under the provisions of the Louisiana Act (LRS 33:521 - 541). The Town is governed by a Mayor/Board of Aldermen form of government. Services provided by the Town include general government activities, public works, public safety, health and welfare and culture and recreation programs. The Town also provides waterworks and gas utilities.

3. Fund Accounting

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

January 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town's fund types have been classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of the Town's general activities, including the collection and disbursement of unmarked monies (special revenue funds), and the acquisition or construction of general fixed assets (capital project funds). The general fund is used to account for all activities of the town not accounted for in some other fund.

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

Fiduciary funds are used to account for assets held in behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent, such as processed taxes or donated emergency relief funds.

4. Basis of Accounting

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

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

In accordance with GASB Statement No. 35, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, it is the policy of the Town's proprietary funds to apply all applicable GASB pronouncements, as well as all Financial Accounting Standards Board (FASB) statements, interpretations, accounting principles based opinions and accounting research bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

January 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

3. Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control device for the year for the General, Special Revenue Funds, and the Proprietary Fund. Formal budgetary accounting for the Capital Project Fund is not used due to the relative insignificance and infrequency of activity. Effective control over expenditures is maintained by requiring a Mayor approval on any expenditures.

Expenditures may not exceed budgeted appropriations at the division or department level. Appropriations may not exceed appropriations until additional appropriations have been provided. All annual appropriations which are not expended are encumbered by year end.

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

4. Encumbrances

Encumbrance accounting is not utilized by the Town.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

January 31, 1997

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(CONTINUED)

7. Cash and Investments

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

Investments are stated at cost or amortized cost. Louisiana Revised Statutes (LSA-RS) 33:2935 authorizes the Town to invest in (1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government, (2) bonds, debentures, notes, or other evidence of indebtedness, issued or guaranteed by federal agencies or U.S. government instrumentalities, (3) direct security purchase agreements of any federal bank, any city securities, (4) time certificates of deposits of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana, savings accounts or shares of savings and loan associations, (5) insurance or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies, or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

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

8. Short-term Interfund Receivables/Payables

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

9. Inventories

The cost of material and supplies acquired by governmental funds are recorded as expenditures at the time of purchase. The inventory of such materials and supplies as January 31, 1997 would not be material to the financial statements. The inventory of the Proprietary Fund is stated at the lower of cost or market, determined by a first-in, first-out method.

10. Prepaid Items

Payments made to vendors for services that will benefit periods beyond January 31, 1997 are recorded as prepaid items. Prepaid insurance represents the majority of this balance.

11. Restricted Assets

Funds on hand which represent "customer meter deposits" are classified as restricted assets on the balance sheet of the enterprise fund since these funds may only be used for the payment of any outstanding water bills when customers discontinue service.

TOWNSHIP OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

January 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Fixed Assets

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

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

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

13. Compensated Absences

In both the governmental and proprietary fund types, annual and sick leave are expensed when claimed by the employee rather than when earned. In the opinion of management, the liability due at January 31, 1997 would not be material to the financial statements.

14. Long-term Obligations

For long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

15. Fund Equity

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

16. Interfund Transactions

Quasi-internal transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-internal transactions and reimbursements, are reported as transfers. Nonreversing or non-purchase order transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
 January 31, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Total Columns on Combined Statements

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

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET

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

- a. Not less than 30 days before the end of the fiscal year, the Mayor recommends to the Board of Aldermen a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is summarized and submitted and the public notified that the proposed budget is available for inspection and that within 15 days thereafter public hearings are conducted to obtain taxpayer comments.
- c. The budget is then legally enacted by passage of an ordinance by the Board of Aldermen.
- d. Any ordinance that alters the total expenditures of a department must be approved by the Board of Aldermen. Changes in specific line items within the departments must also be approved by the Board.

Budgeted amounts presented in the financial statements are as originally adopted or as finally amended by the Board of Aldermen by Ordinance No. 877.

EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following table had expenditures on a budgetary basis in excess of appropriations for the seven month period January 31, 1997:

	Expenditures		Budget		Excess
General Fund					
Contract administration	\$ 497,447	\$	375,000	\$	(122,447)
Special Revenue Funds					
Antidote Clinic/No. 2	65,100		0		(65,100)
Recreation Fund	1,200		0		(1,200)
Wardens/Coastal Administration	250,100		250,000		(100,100)

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

January 31, 1997

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Expenditures exceeded appropriations in the Special Revenue Funds for the following items:

The General and Administrative Department incurred expenditures on a hurricane levee restoration project which is being funded by a state grant. Ambulance District No. 2 incurred some repairs and alterations before the operations of the District were turned over to OPEB; this activity was not budgeted for. The Recreation Fund incurred some unanticipated expenditures for the Buddy Basketball League and the Riverboat Gambling Admission Fees Fund incurred expenditures for food overlying in cooperation with the Parish of Jefferson. All of the excesses noted above were absorbed by available fund balances/transfer earnings.

NOTE C - DEPOSITS AND INVESTMENTS

At January 31, 1997, the carrying amount of the Town's deposits was \$408,064 and the bank balance was \$411,064. Of this amount, \$1,000 was held in a certificate of deposit. The bank balance is categorized as follows:

Category	Bank Balance
Amount insured by FDIC, or collateralized with securities held by the Town's agent in the Town's name	\$ 643,164
Amount collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name	0
Uncollateralized (includes balance that is collateralized with securities held by the pledging financial institution but not in the Town's name)	0
Total Bank Balance	\$ 643,164

Under GASB Statement No. 3, the Town's investments at year end are to be categorized to give an indication of the level of risk assumed by the Town at year-end. Category 1 includes investments that are insured or registered in the which the securities are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterpart's trust department or agent in the Town's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterpart, or by its trust department or agent but not in the Town's name.

The Town's investments consist of shares in the Louisiana Asset Management Pool (LAMMP). The balance as of January 31, 1997 for all funds is \$408,060. Because this investment is not evidenced by securities that exist in physical or book entry form, it is not categorized.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
 January 31, 1997

NOTE D - RECEIVABLES

Receivables at January 31, 1997 consist of the following:

	General	Spirit Reserve	Firefight	Total
Receivables:				
Accounts:				
Utilities	\$ 0	\$ 0	\$ 107,636	\$ 107,636
Costs from	0	14,823	0	14,823
Utility fees	26,132	0	65,606	91,738
Transmissions	14,094	0	0	14,094
Intergovernmental:				
State loans	14,826	1,077	0	15,903
Bonds	500	0	0	500
Subsidies	1,892	0	0	1,892
Fair Use - Highway maintenance	0	0	6,351	6,351
Investigation grant	0	0	0	0
Department of Wildlife and Fisheries	62,143	0	0	62,143
Department of Transportation	0	62,690	0	62,690
Training fees and reimbursements	1,041	8,473	0	9,514
Other	2,607	0	1,060	3,667
Total	142,165	81,063	208,016	431,244
Less allowance for doubtful bills:	0	0	1,000	1,000
Net receivables	\$ 142,165	\$ 81,063	\$ 207,016	\$ 430,244

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

Included within the accounts receivable of the Waterworks and Gas Utilities Enterprise Fund is \$4,371 of unbilled receivables. This amount represents approximately one-half of the February 28, 1997 water and gas bills which are for the annual usage of water and gas in the last half of January 1997.

Also included above is \$-0- due for Programmed Term No. 15. This amount represents the balance of parish dedicated ad valorem taxes collected by the Parish on the Town's behalf under a local cooperative agreement.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

January 31, 1997

NOTE E - FIXED ASSETS

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

Asset Category	Balance at Beginning of Year		ADDITION	DEDUCTIONS	Balance at Year End	
	\$	\$			\$	\$
Land	\$	28,228	\$	0	\$	28,228
Buildings and improvements		1,484,210		1,713		1,482,497
Furniture and equipment		58,624		4,099		54,525
Motor equipment		48,470		3,000		45,470
Intangible		17,211		1,000		16,211
Total	\$	1,636,743	\$	26,722	\$	1,609,991

Below is a summary of fixed assets by source:

Fixed Assets/Source	Amount
Land	\$ 28,228
Buildings and improvements	1,484,210
Furniture and equipment	58,624
Motor equipment	48,470
Intangible	17,211
Total	<u>1,636,743</u>
Investment from:	
General Fund	\$ 883,290
Enterprise Accounts 1	208,500
Nonrestricted	(80,241)
Community Fund and Payments/Accounts 10	321,498
Multiple Investments	8,911
Accounts/Accounts No. 2	26,868
Capital Projects Fund	4,500
Other: Federal Revenue Bonds	111,713
Other: Public Bonds	708,087
Other: Advances	130,000
Total	<u>1,636,743</u>

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
 January 31, 1997

NOTE E - FIXED ASSETS (CONTINUED)

The following is a summary of proprietary fixed property, plant and equipment at January 31, 1997:

Asset Type	Amount	
Land	0	11,000
Buildings and improvements		245,000
Furniture and fixtures		58,000
Vehicles and heavy equipment		160,000
Utility distribution systems and lines		
Gas transmission system		147,000
Gas distribution system		126,000
Water tank		1,800,000
Water mains		10,000
Gas distribution system		426,000
Electric 47' gas line		10,000
Gas meters		20,000
Gas board extension		76,700
		<u>3,125,000</u>
Less accumulated depreciation		(1,641,000)
Net Property, Plant, and Equipment		<u>1,484,000</u>

The full lives used for computing depreciation are as follows:

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

NOTE F - TAXES PAID UNDER PROTEST

The unexpended balances due to taxing bodies and others at January 31, 1997 include \$3,182 of taxes paid under protest, plus interest accrued in date on the investments of these funds. These funds are held in the Property Tax Protest Agency Fund pending resolution of the protest.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
January 31, 1997

NOTE C - LONG-TERM DEBT

1. Capital Leases

The Town has entered into lease agreements as lessee for financing the acquisition of a tractor loader - backhoe and a garbage truck. These lease agreements qualify as capital leases for accounting purposes (because purchase options) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of January 31, 1997:

	General Fixed Asset	
Tractor loader - backhoe	2	11,200
Garbage Truck		61,200
Total	2	72,400

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at January 31, 1997.

Fixed Asset Leasing Item #1	General Long-term Debt	
1997	2	6,704
1998		14,787
1999		(3,544)
Total minimum lease payments		17,947
Less amount representing interest		(2,479)
Present value of future minimum lease payments	2	15,468

2. Installment Purchases

The Town purchased new police cars in 1993 through the Jefferson Parish Sheriff's Office. The Town is reimbursing the Sheriff's Office for the cars on an installment basis. The following is a schedule of the future minimum payments on these installment purchases.

Fixed Asset Leasing Item #2	General Long-term Debt	
1997	1	0
1998		12,600
1999		0
Total minimum lease payments	1	12,600

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
 January 31, 1997

NOTE G - LONG-TERM DEBT (CONTINUED)

3. Changes in Long-Term Liabilities

The following is a summary of the changes in general long-term obligations for the fiscal year ended January 31, 1997:

Type of Debt	Balance, July 1, 1996	Additions (Reductions)	Balance, January 31, 1997
Capital bonds	\$ 4,640,000	\$ (1,670,000)	\$ 2,970,000
Insurance premiums	21,748	(11,869)	9,879
Total	\$ 4,661,748	\$ (1,681,869)	\$ 2,979,879

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

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

1. Retained Earnings - Reserved for Depreciation and Contingencies

A "depreciation and contingencies fund" and a "surplus revenue fund" were established under the 1962 Waterworks and Gas Utilities Revenue Bond Indenture. Amounts equaling at least 5% of gross revenues of the system are to be transferred to this fund for expansions, additions, improvements, renewals and replacements. In accordance with Town Resolution No. 968, the transfers continue to be made even though the bonds have been defeased.

2. Fund Balance - Reserved for Prepaid Items

This reserve was established as an offset against the most prepaid items, because it does not constitute an available, spendable resource of the fund even though it is a component of current assets.

3. Fund Balance - Reserved for Restricted Expenditures

This amount represents the balances remaining on funds received from the State dedicated to beach clean up projects (\$4,600) and donations received for erosion control projects (\$5,000).

4. Fund Balance - Reserved for Drainage Pumps

This reserve represents the balance of a construction contract to purchase and install pumps and related machinery in connection with the Grand Isle Drainage Project II - Hazard Mitigation Open Program.

5. Fund Balance - Designated for Subsequent Year's Expenditures

This designation represents the budgeted deficiency of revenues over expenditures in the 96-97 budget.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

January 31, 1997

NOTE 1 - CONTRIBUTED CAPITAL

City prior fund contributed capital decreased by the following amounts:

	Municipal Government	Parish Government	Total
Balance at June 30, 1996	\$ 134,000	\$ 424,000	\$ 558,000
Less: reclassification-out of water usage fund (Contributed Asset)	0	(424,000)	(424,000)
Balance at January 31, 1997	\$ 134,000	\$ 0	\$ 134,000

NOTE 2 - TAXES

1. Sales Tax

The total sales tax levied on purchases within the Town limits during the fiscal year ended January 31, 1997 was 8.34 percent. Of this 8.34 percent, 4 percent is levied by the State, 1.5 percent is levied by the Jefferson Parish Public Safety System (a separate entity), 3 percent is levied by the Parish of Jefferson (a separate entity), and 0.34 percent is levied by the Jefferson Parish Sheriff's Office.

Of the 3 percent levied by the Parish, 4 percent is levied to the Jefferson Parish Public School System and 2.5 percent is levied to the Town (as an incorporated municipality). Of the 2.5 percent received by the Town, 1.5 percent is recognized in the Drainage District No. 1 Special Revenue Fund. The balance goes to the Town's General Fund.

The 0.34 percent levied by the Sheriff's Office is levied directly to the Town for law enforcement purposes and is recognized in the General Fund.

2. Ad Valorem Tax

The Town levies an ad valorem tax on real property within the city limits. Ad valorem taxes are recognized in the fiscal year in which the taxes are levied. The levy is generally made on 11/15 of each year. The tax is due, and becomes enforceable, on the property, on the first day of the month following the filing of the tax roll by the Parish Assessor with the Louisiana Tax Commission (usually December 1). The tax is considered delinquent on March 1 of the year after the levy. The taxes are billed and collected by the Town.

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

The number of mills levied on the 1996 tax rolls was 7.08 for the General Fund and 3.08 for the Wastewater and Gas Utilities Fund.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

January 31, 1997

NOTE K - INTERFUND TRANSACTIONS

RECEIVABLES/PAYABLES

Individual balances due from/to other funds at January 31, 1997 are as follows:

Fund	Amount Receivable	Amount Payable
General Fund	\$ 12,981	\$ 24,280
Special Revenue Funds		
Emergency District No. 1	44,027	0
Leisure Center Fund	0	1,000
Municipal Center Fund	3,475	0
Community Center and Playground District No. 14	0	
Beverlywood Golfing Administration Fees	0	501
	<u>48,503</u>	<u>21,880</u>
Enterprise Fund		
Waterworks	10,000	0
Sewer	0	9,000
	<u>10,000</u>	<u>9,000</u>
Total	<u>\$ 63,484</u>	<u>\$ 45,861</u>

OPERATING TRANSFERS

A summary of operating transfers by Fund type for the fiscal year ended January 31, 1997 is as follows:

Fund Type	Transfer To or From	Operating Transfer To	Operating Transfer Out
General Fund	Special Funds	5	9,347
Special Revenue Fund Ambulance District No. 1	General Fund	4,281	0
Special Revenue Fund Community Center	General Fund	2,000	0
Special Revenue Fund Beverlywood Golfing and Administration Fees	General Fund	0	5,781
Enterprise Fund Waterworks and Sewer Utilities	General Fund	3,480	3,000
		<u>\$ 10,266</u>	<u>\$ 18,128</u>

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

January 31, 1997

NOTE 1 - RISK MANAGEMENT

The Town is exposed to various risks-of loss related to loss, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Town, To protect itself from these losses, the Town participates in the Louisiana Municipal Risk Management Agency (LMRMA), a public entity risk pool operating as a common risk management and insurance program for municipalities within the state. The Town pays annual premiums to LMRMA for coverage on general liability, auto, fire, endorsement officer's liability, and public official's errors and omissions liability. Coverage limits per occurrence is \$200,000, with an aggregate limit of \$500,000 on general liability claims.

The Town also carries commercial insurance for other risks-of loss, including workers' compensation, employee health and accident insurance, fire damage, etc. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

NOTE 16 - COMMITMENTS AND CONTINGENCIES

1. Commitment - DeLisle 6-inch Gas Line

On August 11, 1982, the Town entered into a lease agreement with DeLisle Piping and Rental Tools, Inc. whereby DeLisle leased its interest in a 6" gas line to the Town for a period of 30 years. Under the lease agreement, the Town agreed to pay DeLisle \$300 per year as compensation for administrative and other expenses incurred in connection with the lease agreement. In addition, the Town agreed to reimburse DeLisle for any and all amounts which DeLisle may have to pay for operation, maintenance and repair of the gas line.

As of June 30, 1996, a liability of \$40,280 was recorded in the Waterworks and Gas Utilities Enterprise Fund for the amounts due under this lease agreement through that date. As of January 31, 1997, the Town made one payment of 24,190, leaving a balance due of \$16,090. While the lease term officially expired on August 11, 1992, the Town has continued using the gas line pending the finalization of a new lease agreement and would therefore still be responsible for payments under the lease.

2. Federal Financial Assistance

The Town participates in certain federal financial assistance programs. The programs have been audited in accordance with the Single Audit Act of 1984, however, the greatest agencies they provide for federal expenditures. The Town believes that further examinations would not result in any material disallowed costs.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

January 31, 1997

NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)

The food stamp program is operated by the Town under an agreement with the Louisiana Department of Health and Human Resources. Under this program, the Town is responsible for the issuance of food coupons to eligible participants in the Town. The value of the food coupons on hand, received and issued is not recorded in the accompanying statements. Activity for the year was as follows:

Balance at July 1, 1996	\$	15,114
Issued during year		60,730
Issued during year		(62,669)
Balance at January 31, 1997	\$	<u>3,175</u>

3. Civil Penalties - Use/Time Processing Project

On October 14, 1993, the Louisiana Department of Environmental Quality (DEQ) issued a penalty notice (NO-P-93-0289) against the Town in connection with deficiencies noted in the Town's solid-tire processing project. Under the Louisiana Environmental Quality Act (LRS 39:2025 et seq.), the Town has been assessed a civil penalty of \$31,625. The Town requested an administrative appeal, which was accepted by the State. DEQ held several hearings on the matter to develop a course of action and to negotiate a reduction in the amount of penalties levied. A verbal agreement was reached to waive the penalty, accordingly, no provision for any liability has been made in the accompanying financial statements.

4. Civil Penalties - Landfill

On November 4, 1990 and again on August 14, 1995, the DEQ issued penalty notices (NO-P-90-0071 and NO-P-95-0039) against the Town in connection with violations of the Solid Waste Rules and Regulations and the Louisiana Environmental Quality Act in relation to the Town's dump site (i.e., landfill). Penalties of \$3,404 and \$75,000 have been levied. Administrative appeals were filed by the Town and accepted by the State. A verbal agreement has been reached whereby the State will waive the penalties if the Town provides for a proper closure (i.e., capping) of the dump site.

GLASB Codification Section 1.11 requires a government who owns or operates a municipal landfill to recognize the closure and postclosure care costs over the expected life of the landfill rather than after closure takes place. Since the Town's dump site was effectively closed as of January 31, 1997, a liability for closure costs should have been accrued. Preliminary engineering estimates place the cost of capping the site at approximately \$150,000, however, the Town has entered into a cooperative understand agreement with the Parish of Jefferson whereby excess sand recovered from the Town's ditches and culverts would be used to cover the landfill. DEQ has approved the plan with certain conditions and restrictions. Thus, the actual cost to the Town should be minimal. Accordingly, the financial statements do not include a provision for these costs.

COMBINING STATEMENTS AND INDIVIDUAL
FUND AND ACCOUNT GROUP SCHEDULES

GENERAL FUND

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

TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
BALANCE SHEET
JANUARY 31, 1997**

ASSETS

Cash and cash equivalents	\$	293,966
Receivables, net		
Property taxes		74,503
Franchise taxes		14,384
Intergovernmental		
Sales tax		21,838
Beer tax		780
Tobacco tax		1,892
Quoting fees and commissions		5,812
Grants		22,818
Other		2,675
Due from other funds		0
Prepaid items		7,444
TOTAL ASSETS	\$	<u>387,422</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accrued salaries and related liabilities	\$	(174)
Due to other funds		98,598
Appropriated bond deposits		92,818
TOTAL LIABILITIES		<u>191,242</u>

FUND BALANCE

Reserved for prepaid items		7,444
Reserved for restricted expenditures		9,648
Unreserved		
Designated for subsequent year's expenditures		0
Undesignated		229,781
TOTAL FUND BALANCE		<u>246,873</u>

TOTAL LIABILITIES AND FUND BALANCE	\$	<u>387,422</u>
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TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 308,713	\$ 306,000	\$ (2,713)
Fees and permits	9,634	77,500	(67,866)
Intergovernmental	479,381	47,000	(432,381)
Grants, fees, and contributions	11,232	21,000	(9,768)
Fees and forfeitures	14,817	138,000	(123,183)
Charges for services	151,863	206,000	(54,137)
Miscellaneous	9,828	29,000	(19,172)
TOTAL REVENUES	986,968	1,024,500	(37,532)
EXPENDITURES			
Current			
General government	181,988	401,838	(219,850)
Public safety	239,973	288,233	(48,260)
Public works	236,547	274,170	(37,623)
Culture, recreation and tourism	65,700	78,000	(12,300)
TOTAL EXPENDITURES	1,264,986	1,244,241	(20,745)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(278,018)	79,959	(357,977)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	11,000	31,000	(20,000)
Operating transfers out	(2,262)	0	(2,262)
TOTAL OTHER FINANCING SOURCES (USES)	8,738	31,000	(22,262)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(269,280)	110,959	(380,239)
FUND BALANCES			
Beginning of year	500,170	500,170	0
Retained equity transfers	0	0	0
End of year	\$ 230,890	\$ 611,129	\$ (380,239)

TOWNSHIP OF GRAND ISLE, ILLINOIS

GENERAL FUND
STATEMENT OF REVENUES - ACTUAL AND BUDGET
FOR THE NINE MONTHS PERIOD ENDING DECEMBER 31, 2007

	2007(A)	2007(B)	VARIANCE (FAVORABLE /UNFAVORABLE)
TAXES			
Ad valorem	1	1	
Total	11,588	11,761	1,168
Personal	10,299	10,320	1,021
Less collections deferred	1,420	1,400	20
Property tax	21,634	21,634	0
Sales/Tax	1,751	1,666	85
Total	35,712	35,081	631
FEES AND CHARGES			
Personal			
Occupational Licenses and fees	1,624	1,600	24
Miscellaneous	1,460	1,400	60
Maintenance	1,100	1,100	0
Building	100	100	0
Printing and expenses	100	100	0
Total	4,384	4,300	84
GRANTS AND OTHERS			
Federal			
EMMA	0	0	0
EMMA & Federal - Funding Fee	0	0	0
State - Emergency Management	200	0	200
State			
Sales tax	1,000	1,000	0
Misc fee	500	500	0
State road fund	20,000	20,000	0
State grant fund	1,000	0	1,000
State grant fund	1,000	0	1,000
LA 9070 grant - Veterans Memorial HD-D-0074	40,000	0	40,000
Local			
Maintenance grant	0	0	0
Performance grant	0	0	0
Total	43,800	41,500	2,300
GENERAL FUND OTHER REVENUES			
Video sales allocation	1,100	1,100	0
OTHER CONTRIBUTIONS			
Private contributions	11,000	11,000	0
Fund fees	100	0	100
Total	11,100	11,000	100
FINANCIAL AID RECEIVED			
Revenue	14,500	14,500	0
Fee waiver collection	100	100	0
Total	14,600	14,600	0
REVENUE EXPENSES			
Revenue expense	1,000	1,000	0
Employee's and contractors fee	0	10,000	10,000
Miscellaneous charges	100	100	0
Insurance - Personal	0	0	0
Insurance - Personal	1,000	1,000	0
Insurance - EMMA liability	100	100	0
Other	1,000	1,000	0
Total	3,100	12,200	9,100
TOTAL REVENUES	1	1	
	80,000	74,000	6,000

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT -
 ACTUAL AND BUDGET - GENERAL GOVERNMENT FUNCTION
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 1990

	ACTUAL		BUDGET		VARIANCE (FAVORABLE/ UNFAVORABLE)
GENERAL AND ADMINISTRATIVE					
Office salaries	\$	48,676	\$	45,987	\$ 2,689
Payroll taxes		28,500		28,500	0
Charterperson fee		144		1,000	856
Insurance - hospitalization		43,483		42,000	1,483
Insurance - treatment, compensation		48,754		48,500	254
Retirement - public		0		0	0
Allowance - gas electric		13,000		20,100	13,000
Allowance - phone		400		1,500	1,100
Auto		4,300		9,500	5,200
Capital and professional fees		13,715		38,800	25,085
Office supplies		1,800		2,500	700
Office supplies		600		100	500
Technical supplies		300		500	200
Advertising		1,000		1,000	0
Signs and insignias		300		0	300
Liability - auto		800		1,100	300
Liability - computer		2,000		4,000	2,000
Office and subscriptions		0		600	600
Insurance - general and liability		26,841		38,000	11,159
Utilities		6,681		10,800	4,119
Printing		1,400		1,000	400
Bank charges		0		100	100
Telephone		7,600		15,000	7,400
Repairs - office equipment		2,100		4,000	1,900
Repairs - buildings		3,600		4,000	400
Repairs - vehicles		1,000		1,000	0
Gas and oil		12,100		1,000	11,100
Motor vehicles		2,200		2,000	200
Recreation		2,400		2,400	0
School training		0		500	500
Travel and other		0		100	100
Computer consulting		0		500	500
Printing equipment		400		400	0
Electricity expense		0		0	0
Insurance expense		4,000		4,000	0
Maintenance		4,200		1,500	2,700
Normal Towns Trade Shows		1,800		0	1,800
GAAR costs		0		6,000	6,000
Supplemental - bonus wages		0		0	0
Supplemental - OPEB		0		0	0
Supplemental - OPEB		0		0	0
Supplemental - Plan Commission		0		0	0
Capital costs					
Office furniture and equipment		1,100		4,000	2,900
Vehicles		24		2,400	2,376
Christmas decorations		1,400		1,200	200
Fishing pier repairs		4,600		4,600	0
Boats and Launch Reservation (NOV 04 100 00 0070)		396,100		0	396,100
Buildings and structures		2,000		2,000	0
TOTAL DEPARTMENT	\$	497,000	\$	717,400	\$ 220,400

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT -
 ACTUAL AND BUDGET - GENERAL GOVERNMENT FUNCTION
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 1987

	ACTUAL	BUDGET	VARIANCE (EXCESS)
BEACHES DEPARTMENT			
Salaries	\$ 4,144	\$ 4,201	567
Travel and special expenses	111	866	755
Telephone	0	0	0
Office supplies	164	350	186
Repairs - vehicles	2,149	1,000	(1,149)
Gas - motor	141	1,500	1,359
Travel and other	144	1,000	856
Miscellaneous	87	100	13
Capital outlay			
Office furniture and equipment	1,200	700	(500)
TOTAL DEPARTMENT	\$ 10,039	\$ 12,617	\$ 2,578
PLANNING COMMISSION AND TAX DEPARTMENT			
Salaries	\$ 11,370	\$ 11,600	\$ 230
Office supplies	71	70	1
Printing - tax bills	1,675	1,000	675
Storage	1,217	1,200	17
Advertising	660	100	560
Expenses	101	2,500	2,399
Travel and other	41	70	29
Miscellaneous	673	100	573
TOTAL DEPARTMENT	\$ 17,818	\$ 17,270	\$ 548
TOTAL GENERAL GOVERNMENT	\$ 27,857	\$ 30,187	\$ 2,330

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT -
 ACTUAL AND BUDGET - PUBLIC SAFETY FUNCTION
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	ACTUAL	BUDGET	VARIANCE (FAVORABLE OR UNFAVORABLE)
FOUR DEPARTMENT			
Salaries	\$ 12,680	\$ 12,000	\$ 680
Payroll taxes	0	0	0
Unemployment tax	0	0	0
Insurance - hospitalization	29,647	30,000	(353)
Insurance - workman's compensation	21,677	24,000	2,323
Retirement - police	3,740	3,600	140
Bene and subscriptions	0	500	500
Fuel and lodging - deputies	1,777	2,000	223
Food - prisoners	114	500	386
Fuel and other	499	1,500	1,001
Office supplies	1,624	1,800	1,76
Field supplies	477	500	23
General supplies	143	500	357
Telephone	4,700	4,500	200
Utilities	244	1,700	1,456
Amusements	0	500	500
Supplies - clothing	100	1,000	900
Supplies - equipment	1,760	800	960
Supplies - vehicles	4,080	11,000	6,920
Travel	0	500	500
Printing	24	25	1
Out-of-town	107	1,000	893
EMERGENCY RESPONSE	750	1,000	250
EMERGENCY RESPONSE	100	1,000	900
Insurance - general and automotive	477	14,000	13,523
Utilities	1,004	1,000	4
Gas and oil	10,000	10,000	0
Small tools and equipment	800	800	0
Maintenance	177	500	323
Capital costs			
Office furniture and equipment	760	600	160
Vehicles and equipment	10,800	10,000	800
Class. and equipment	3,100	500	2,600
TOTAL DEPARTMENT	\$ 124,247	\$ 79,100	\$ 45,147
CPVS BUDGET			
Emergency fund	\$ 500	\$ 1,000	\$ 500
General supplies	25	0	25
Capital cost	0	500	500
TOTAL BUDGET	\$ 525	\$ 1,500	\$ 975
TOTAL PUBLIC SAFETY	\$ 124,772	\$ 80,600	\$ 44,172

TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT -
ACTUAL AND BUDGET - PUBLIC WORKS FUNCTION
FOR THE SIX MONTHS ENDED IN SEPTEMBER, 1997**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>PERCENT AVAILABLE (RELEASABLE)</u>
STREET DEPARTMENT			
Salaries	\$ 71,600	\$ 90,000	79.55%
Non-representing	0	0	0
Supplies	1,670	1,000	167%
Travel	400	1,700	23.53%
Small tools and equipment	43	400	10.75%
Repairs - vehicles	40,000	4,000	1,000%
Tire and oil	0	100	0%
Gas and oil	5,843	5,000	1,168.6%
Lubricant	7,443	10,000	74.43%
Miscellaneous	4	100	4%
Capital outlay	0	0	0
Vehicles and equipment	0	3,000	0%
Street construction	0,000	0	0%
LAB SERVICE			
Principal	1,000	0	0.00%
Interest	67	0	0%
TOTAL DEPARTMENT	\$ 127,563	\$ 124,700	102.29%
UTILITIES DEPARTMENT			
Salaries	\$ 14,000	\$ 80,000	17.5%
Contractors	1,200	1,000	120%
Repairs - equipment	2,400	2,000	120%
Laboratory	2,400	15,000	16%
Gas and oil	4,800	4,000	120%
Repairs - vehicles	9,600	9,000	1,066.67%
Small tools and equipment	97	400	24.25%
Tire and oil	0	100	0%
Utilities	1,200	3,700	32.43%
Contract services - hauling	40,000	40,000	100%
Miscellaneous	100	1,000	10%
Capital outlay			
Vehicles and equipment	200	14,000	1.43%
LAB SERVICE			
Principal	9,000	0	0.00%
Interest	1,000	0	0.00%
TOTAL DEPARTMENT	\$ 70,000	\$ 147,000	47.62%
TOTAL PUBLIC WORKS FUNCTION	\$ 197,563	\$ 271,700	72.71%

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND

SCHEDULE OF EXPENDITURES BY DEPARTMENT -
ACTUAL AND BUDGET - CULTURE, RECREATION AND TOURISM
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	ACTUAL	BUDGET	VARIANCE (FAVORABLE (UNFAVORABLE))
TOURISM DEPARTMENT			
Salaries	\$ 4,400	\$ 4,000	\$ 400
Advertising	5,760	11,000	5,240
Fees and subscriptions	0	1,000	1,000
Office supplies	30	200	170
Telephone	70	1,000	930
Postage	55	400	345
Travel and other	1,000	1,000	0
Miscellaneous	0	400	400
TOTAL DEPARTMENT	\$ <u>11,315</u>	\$ <u>29,000</u>	\$ <u>17,685</u>
EMPLOYING PROJECT			
Construction - lighting	\$ 0	\$ 0	\$ 0
TOTAL DEPARTMENT	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
TOTAL CULTURE, RECREATION AND TOURISM	\$ <u>11,315</u>	\$ <u>29,000</u>	\$ <u>17,685</u>

SPECIAL REVENUE FUNDS

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

AMBULANCE DISTRICT NO. 2

Used to account for the proceeds from a \$2 fee per month assessed residents and, effective January 1, 1996, an ad valorem tax levied by the Parish, to provide emergency services to the community.

SEIZURE AND FORFEITURE

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

DRAINAGE DISTRICT NO. 1

Used to account for the proceeds of assessment of the DRD 14 user sales tax to be used for operations, maintenance, and improvements of the Town's drainage system.

CRIME CONTROL FUND

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

BRIDGE REPAIR

Used to account for the proceeds of a grant from Louisiana Disaster Relief. These proceeds are to be used to repair the Highway 1 fishing bridge due to damage caused by Hurricane Andrew in August 1992.

MOSQUITO CONTROL FUND

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

RECREATION FUND

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

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 01

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

BRIDGE LIGHTING FUND

Used to account for a grant from Jefferson Parish to be used to repair and maintain the lights on the fishing bridge.

NIGHTMARE GAMBLING AND AMUSEMENT FIELDS

Used to account for the Town's 1 percent share of handling fees received by Jefferson Parish from the Moonstown Hall Casino.

TOWNSHIP OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 1997

	AMOUNT AND PERCENT NO. 2	AMOUNT AND PERCENT NO. 3	AMOUNT AND PERCENT NO. 4	AMOUNT AND PERCENT NO. 5
ASSETS				
Current and restricted	\$	\$	\$	\$
Cash	0	100	0	40,843
Accounts receivable	0	0	0	0
Inventories	0	0	0	0
Due from	0	0	1,177	0
Special Revenue Funds	0	0	0	0
Physical Plant No. 1	0	0	0	0
Capital Projects and Reserves	0	0	0	0
Due from other funds	0	0	4,177	0
Prepaid items	0	0	0	0
TOTAL ASSETS	\$	\$	\$	\$
	0	100	26,357	40,843
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$	\$	\$	\$
Accrued payroll and liabilities	0	0	0	0
Due to other funds	0	0	0	1,000
Total Liabilities	\$	\$	\$	\$
	0	0	0	1,000
Fund Equity				
Reserves				
Reserve for project costs	0	0	0	0
Reserve for drainage pumps	0	0	75,000	0
Unexpended	0	0	0	0
Designated	0	0	0	0
Undesignated	0	100	40,843	40,843
Total Fund Equity	\$	\$	\$	\$
	0	100	40,843	40,843
TOTAL LIABILITIES AND FUND EQUITY	\$	\$	\$	\$
	0	100	40,843	40,843

GENERAL FUND	PROPERTY TAX	SEVERALTY TAX	COMBINED CITY AND DISTRICT TAX	HOUSE LICENSE TAX	SEVERALTY TAX	TOTAL
\$ 407	\$ 26,790	\$ 14,754	\$ 108,864	\$ 107	\$ 91,700	\$ 252,622
\$	\$ 9,562	\$	\$	\$	\$	\$ 9,562
\$	\$	\$	\$	\$	\$	\$ 0
\$	\$	\$	\$	\$	\$	\$ 0
\$	\$	\$	\$ 42,890	\$	\$	\$ 42,890
\$	\$	\$	\$	\$	\$ 8,875	\$ 8,875
\$	\$ 3,401	\$	\$	\$	\$	\$ 3,401
\$	\$ 144	\$	\$ 10,870	\$	\$	\$ 11,014
<u>\$ 407</u>	<u>\$ 41,844</u>	<u>\$ 14,754</u>	<u>\$ 151,754</u>	<u>\$ 107</u>	<u>\$ 100,575</u>	<u>\$ 409,041</u>
\$	\$	\$	\$	\$	\$ 75,000	\$ 75,000
\$	\$	\$	\$	\$	\$	\$
\$	\$	\$	\$ 800	\$	\$ 500	\$ 1,300
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 800</u>	<u>\$</u>	<u>\$ 500</u>	<u>\$ 1,300</u>
\$	\$ 601	\$	\$ 10,701	\$	\$	\$ 11,302
\$	\$	\$	\$	\$	\$	\$ 0
\$	\$	\$	\$	\$	\$	\$ 0
\$ 407	\$ 42,445	\$ 14,754	\$ 162,455	\$ 107	\$ 101,075	\$ 413,243
<u>\$ 407</u>	<u>\$ 42,445</u>	<u>\$ 14,754</u>	<u>\$ 162,455</u>	<u>\$ 107</u>	<u>\$ 101,075</u>	<u>\$ 413,243</u>
<u>\$ 407</u>	<u>\$ 42,445</u>	<u>\$ 14,754</u>	<u>\$ 162,455</u>	<u>\$ 107</u>	<u>\$ 101,075</u>	<u>\$ 413,243</u>

TOWN OF GRANDMAZ, ILLINOIS

SPECIAL REVENUE FUND
 (CONTINUING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	AMOUNTS DEBITED NO. 2	REVENUES AND EXPENSES	DRAWN DEBITED NO. 1	EXCESS CREDITED 1000
REVENUES				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	11,000	0	11,000	0
Grants, fees and donations	0	0	0	0
Fees and licenses	0	0	0	0
Charges for services	0	0	0	0
Miscellaneous	19	0	0	0
TOTAL REVENUES	<u>11,019</u>	<u>0</u>	<u>11,000</u>	<u>0</u>
EXPENSES				
Contract				
Public safety	40,000	0	0	0
Public works	0	0	0	0
Health and welfare	0	0	0	0
Culture and recreation	0	0	0	0
TOTAL EXPENSES	<u>40,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES				
	<u>(28,981)</u>	<u>0</u>	<u>(11,000)</u>	<u>0</u>
CHANGES IN FUND BALANCE (DEFICIT)				
Operating surplus (deficit)	4,200	0	0	0
Operating surplus (deficit)	0	0	0	0
TOTAL CHANGES IN FUND BALANCE (DEFICIT)	<u>4,200</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES PLUS CHANGES IN FUND BALANCE (DEFICIT)				
	<u>(24,781)</u>	<u>0</u>	<u>(11,000)</u>	<u>0</u>
FUND BALANCE				
Beginning of year	0	0	0	0
End of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (22,000)</u>	<u>\$ 0</u>

	REGULAR RENTALS	MANAGEMENT COMMISSION FEE	RETIRES/NOV FEE	COMMUNITY CONTRIB AND PLACEMENT DEPOSIT FEE	REGULAR CONTRIB FEE	REVENUE FROM ADDITIONAL FEES	TOTAL
1	0	0	0	0	0	0	0.00
2	0	0	0	50.00	0	0	50.00
3	0	0	0	0	0	100.00	100.00
4	0	0	0	0	0	0	0.00
5	0	25.00	0	25.00	0	0	50.00
6	0	0	25	5.00	2	1.00	33.00
7	0	15.00	0	0.00	0	0.00	15.00
8	0	0	0	0	0	0	0.00
9	0	0	0	0	0	20.00	20.00
10	0	14.00	0	0	0	0	14.00
11	0	0	1.00	0.00	0	0	1.00
12	0	0	0	0.00	0	0	0.00
13	0	0	0	0.00	0	0	0.00
14	0	0	0	0.00	0	0	0.00
15	0	0	0	0.00	0	0	0.00
16	0	0	0	0.00	0	0	0.00
17	0	0	0	0.00	0	0	0.00
18	0	0	0	0.00	0	0	0.00
19	0	0	0	0.00	0	0	0.00
20	0	0	0	0.00	0	0	0.00
21	0	0	0	0.00	0	0	0.00
22	0	0	0	0.00	0	0	0.00
23	0	0	0	0.00	0	0	0.00
24	0	0	0	0.00	0	0	0.00
25	0	0	0	0.00	0	0	0.00
26	0	0	0	0.00	0	0	0.00
27	0	0	0	0.00	0	0	0.00
28	0	0	0	0.00	0	0	0.00
29	0	0	0	0.00	0	0	0.00
30	0	0	0	0.00	0	0	0.00
31	0	0	0	0.00	0	0	0.00
32	0	0	0	0.00	0	0	0.00
33	0	0	0	0.00	0	0	0.00
34	0	0	0	0.00	0	0	0.00
35	0	0	0	0.00	0	0	0.00
36	0	0	0	0.00	0	0	0.00
37	0	0	0	0.00	0	0	0.00
38	0	0	0	0.00	0	0	0.00
39	0	0	0	0.00	0	0	0.00
40	0	0	0	0.00	0	0	0.00
41	0	0	0	0.00	0	0	0.00
42	0	0	0	0.00	0	0	0.00
43	0	0	0	0.00	0	0	0.00
44	0	0	0	0.00	0	0	0.00
45	0	0	0	0.00	0	0	0.00
46	0	0	0	0.00	0	0	0.00
47	0	0	0	0.00	0	0	0.00
48	0	0	0	0.00	0	0	0.00
49	0	0	0	0.00	0	0	0.00
50	0	0	0	0.00	0	0	0.00
51	0	0	0	0.00	0	0	0.00
52	0	0	0	0.00	0	0	0.00
53	0	0	0	0.00	0	0	0.00
54	0	0	0	0.00	0	0	0.00
55	0	0	0	0.00	0	0	0.00
56	0	0	0	0.00	0	0	0.00
57	0	0	0	0.00	0	0	0.00
58	0	0	0	0.00	0	0	0.00
59	0	0	0	0.00	0	0	0.00
60	0	0	0	0.00	0	0	0.00
61	0	0	0	0.00	0	0	0.00
62	0	0	0	0.00	0	0	0.00
63	0	0	0	0.00	0	0	0.00
64	0	0	0	0.00	0	0	0.00
65	0	0	0	0.00	0	0	0.00
66	0	0	0	0.00	0	0	0.00
67	0	0	0	0.00	0	0	0.00
68	0	0	0	0.00	0	0	0.00
69	0	0	0	0.00	0	0	0.00
70	0	0	0	0.00	0	0	0.00
71	0	0	0	0.00	0	0	0.00
72	0	0	0	0.00	0	0	0.00
73	0	0	0	0.00	0	0	0.00
74	0	0	0	0.00	0	0	0.00
75	0	0	0	0.00	0	0	0.00
76	0	0	0	0.00	0	0	0.00
77	0	0	0	0.00	0	0	0.00
78	0	0	0	0.00	0	0	0.00
79	0	0	0	0.00	0	0	0.00
80	0	0	0	0.00	0	0	0.00
81	0	0	0	0.00	0	0	0.00
82	0	0	0	0.00	0	0	0.00
83	0	0	0	0.00	0	0	0.00
84	0	0	0	0.00	0	0	0.00
85	0	0	0	0.00	0	0	0.00
86	0	0	0	0.00	0	0	0.00
87	0	0	0	0.00	0	0	0.00
88	0	0	0	0.00	0	0	0.00
89	0	0	0	0.00	0	0	0.00
90	0	0	0	0.00	0	0	0.00
91	0	0	0	0.00	0	0	0.00
92	0	0	0	0.00	0	0	0.00
93	0	0	0	0.00	0	0	0.00
94	0	0	0	0.00	0	0	0.00
95	0	0	0	0.00	0	0	0.00
96	0	0	0	0.00	0	0	0.00
97	0	0	0	0.00	0	0	0.00
98	0	0	0	0.00	0	0	0.00
99	0	0	0	0.00	0	0	0.00
100	0	0	0	0.00	0	0	0.00

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	DETAILS BY FUND ITEM		
	ACTUAL	BUDGET	VARIANCE (FAVORABLE (UNFAVORABLE))
REVENUES			
Taxes	\$ 60,750	\$ 25,000	\$ (35,750)
Intergovernmental	91,475	200,000	(108,525)
Carriage fees and commissions	140,758	180,000	(39,242)
Fees and donations	0	0	0
Charge for service	21,495	40,000	(18,505)
Miscellaneous	15,067	5,000	10,067
TOTAL REVENUES	344,545	470,000	(125,455)
EXPENDITURES			
Current			
Public safety	40,110	0	(40,110)
Public works	392,680	278,300	(114,380)
Health and welfare	37,866	45,000	(7,134)
Culture and recreation	88,006	192,172	(104,166)
TOTAL EXPENDITURES	558,662	515,472	(43,810)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(214,117)	(68,472)	(145,645)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	6,417	0	6,417
Operating transfers out	(9,797)	(21,000)	11,203
TOTAL OTHER FINANCING SOURCES (USES)	(3,380)	(21,000)	17,620
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(217,500)	(89,472)	(128,028)
FUND BALANCE			
Beginning of year	69,892	69,892	0
End of year	\$ (147,608)	\$ (20,580)	\$ (127,028)

STATE OF LOUISIANA

SPECIAL REVENUE FUNDS

COMBINED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUOUS) FOR THE SEVEN MONTHS ENDING JANUARY 31, 1997

	AMBULANCE DISTRICT NO. 1		
	ACTUAL	BUDGET	VARIANCE (FAVORABLE / UNFAVORABLE)
REVENUES			
Is governmental			
Funds dedicated/related sources same	\$ 11,200	\$ 0	\$ 11,200
Charges for services			
Emergency unit fee	0	0	0
Miscellaneous			
Interest income	0	0	0
Other	0	0	0
TOTAL REVENUES	<u>11,200</u>	<u>0</u>	<u>11,200</u>
EXPENDITURES			
Public safety			
Salaries	0	0	0
Benefit costs	0	0	0
Audit	0	0	0
Utilities	0	0	0
Telephone	0	0	0
Insurance			
General	0	0	(0)
Hospitalization	0	0	0
Lease (purchase)	40,000	0	40,000
Medical supplies	0	0	0
Student training	0	0	0
Travel and other	0	0	0
Repairs and maintenance - vehicles	0	0	0
Bank charges	0	0	0
Gas and oil - vehicles	0	0	0
Miscellaneous	0	0	0
Capital outlay			
Vehicles and equipment	0	0	0
TOTAL EXPENDITURES	<u>40,000</u>	<u>0</u>	<u>40,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,200	0	11,200
OTHER FINANCING SOURCES (USES)			
Operating transfers in	4,300	0	4,300
Operating transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,300</u>	<u>0</u>	<u>4,300</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	14,500	0	14,500
FUND BALANCE			
Beginning of year	14,500	14,500	0
End of year	<u>\$ 14,500</u>	<u>\$ 14,500</u>	<u>\$ 0</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 CONTAINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	REVENUE AND EXPENDITURE		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES	\$ _____	\$ _____	\$ _____
EXPENDITURES			
Public safety			
Supplies	0	0	0
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0	0	0
FUND BALANCE			
Beginning of year	0	0	0
End of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
(COMBINING) A SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	DRAINAGE DISTRICT NO. 1		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes			
Subscribers	\$ 10,700	\$ 10,000	\$ (1,200)
Intergovernmental			
Federal			
Federal Mitigation Grant	10,844	100,000	(89,156)
Miscellaneous			
Interest Income	55	0	55
TOTAL REVENUES	<u>21,600</u>	<u>120,000</u>	<u>(108,180)</u>
EXPENDITURES			
Public Works			
Utilities	3,400	3,000	400
Small work	0	200	200
Medicational fees	0	200	(2,000)
Repairs and maintenance - Pump Station No. 1	1,175	10,000	8,825
Repairs and maintenance - Cypress pump	0	0	0
Culverts and gates	671	2,000	1,329
Lease payments	1,300	1,200	0
Cost of energy	0	6,000	4,000
Miscellaneous	140	600	460
Capital outlays			
Equipment	2,000	0	(2,000)
Pump stations	23,084	100,000	76,916
TOTAL EXPENDITURES	<u>30,980</u>	<u>123,200</u>	<u>(92,220)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(9,380)	2,800	(12,180)
FUND BALANCE			
Beginning of year	85,000	85,000	0
End of year	\$ <u>75,620</u>	\$ <u>87,800</u>	\$ <u>(12,180)</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL, AND BUDGET (CONTINUED)
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	BUDGET CONTROL FUND		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Miscellaneous			
Interest income	\$ 315	\$ 0	\$ 315
TOTAL REVENUES	<u>315</u>	<u>0</u>	<u>315</u>
EXPENDITURES			
Public Works			
Depreciation	0	0	0
Miscellaneous	0	0	0
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	315	0	315
FUND BALANCE			
Beginning of year	30,140	30,140	0
End of year	<u>\$ 30,455</u>	<u>\$ 30,140</u>	<u>\$ 315</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	BUDGET REVENUE		VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL	BUDGET	
REVENUES			
Miscellaneous (License Income)	\$ 7	\$ 0	\$ 7
TOTAL REVENUES	<u>7</u>	<u>0</u>	<u>7</u>
EXPENDITURES			
Public Works (Bridge Repairs)	0	0	0
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7	0	7
FUND BALANCE			
Beginning of year	00	00	0
End of year	\$ <u>07</u>	\$ <u>00</u>	\$ <u>07</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS

**COMPARING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997**

	APPROPRIATED CONTROL FUNDS		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Charges for services			
Municipal fees	\$ 25,102	\$ 49,000	\$ (23,898)
Crew cutting fees	700	1,000	(300)
Miscellaneous			
Interest income	77	1,000	(1,423)
TOTAL REVENUES	<u>25,879</u>	<u>51,000</u>	<u>(25,121)</u>
EXPENDITURES			
Health and Welfare			
Repairs and maintenance - vehicles and equipment	500	1,000	470
Fuel	800	0	(800)
Gas and oil	0	500	500
Chemicals	17,498	23,000	4,502
Aerial spraying	17,347	18,000	(2,347)
Crew cutting	1,711	0	(1,711)
Insurance - general	376	1,000	624
Schools and training	0	1,000	1,000
Miscellaneous	0	1,000	1,000
Interdepartmental administrative fee	0	1,400	1,400
Capital outlay			
Vehicles and equipment	0	600	600
TOTAL EXPENDITURES	<u>37,232</u>	<u>47,000</u>	<u>10,768</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,353)	0	(11,353)
FUND BALANCE			
Beginning of year	50,208	50,208	0
End of year	\$ <u>38,855</u>	\$ <u>50,208</u>	\$ <u>(11,353)</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 1987

	RECREATION FUND		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Miscellaneous			
Interest income	\$ 677	\$ 0	\$ 677
TOTAL REVENUES	<u>677</u>	<u>0</u>	<u>677</u>
EXPENDITURES			
Culture and Recreation			
Pop-a-bits	688	0	(688)
Daddy Basketball Program	720	0	(720)
TOTAL EXPENDITURES	<u>1,408</u>	<u>0</u>	<u>(1,408)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(941)	0	(941)
FUND BALANCE			
Beginning of year	25,967	25,967	0
End of year	\$ <u>24,926</u>	\$ <u>25,967</u>	\$ <u>(941)</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 28		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Intergovernmental			
Funds deposited and various taxes	\$ 60,179	\$ 132,088	\$ (71,909)
Charges for services			
Rental income	2,058	2,500	(1,478)
Miscellaneous			
Interest income	2,087	4,800	(2,713)
Beach sweep donations	150	1,800	(1,650)
Other	4,255	280	4,058
TOTAL REVENUES	66,669	141,468	(74,799)
EXPENDITURES			
Culture and Recreation			
Salaries	16,179	26,457	(10,278)
Payroll taxes	1,213	2,088	(875)
Unemployment taxes	179	580	(401)
Insurance			
Hospitalization	2,128	4,700	(2,572)
Workman's compensation	2,027	3,300	(1,273)
General	26,178	28,600	(2,422)
Grants	2,980	4,300	(1,320)
Audit	0	0	0
Advertising	32	70	(38)
Travel and other			
Personal supplies	2,178	2,880	(702)
Office supplies	154	800	(646)
Repairs and maintenance -			
Building	4,060	16,800	(12,740)
Office equipment	480	300	180
Vehicles and equipment	1,079	2,180	(1,101)
Travel costs	0	280	(280)
Misc. things	0	0	0
Trails and playgrounds	2,110	16,800	(14,690)
Gas and oil	258	1,800	(1,542)
Recreational activities	9,226	28,000	(18,774)
Beach sweep expenses	1,879	1,500	379
Coffee supplies	21	188	(167)
Small tools and equipment	34	712	(678)

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 14		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
Postage	28	0	(28)
Telephone	268	240	(28)
Utilities	14,645	28,000	13,354
Developmental administrative fee Mississippi	0	15,000	15,000
290	1,400	1,104	
Capital outlay			
Office furniture and equipment	0	2,600	2,600
Vehicles	0	0	0
Playground equipment	4,706	14,800	9,294
TOTAL EXPENDITURES	47,348	60,712	14,780
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,924)	(18,772)	3148
OTHER FINANCING SOURCES (USED)			
Operating transfers in	2,026	0	2,026
Operating transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USED)	2,026	0	2,026
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USED)	(16,898)	(18,772)	11,184
FUND BALANCE			
Beginning of year	192,812	182,012	0
End of year	\$ 175,914	\$ 163,240	\$ 12,674

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	BRIDGE LIGHTING FUND		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Miscellaneous			
Interest income	\$ 2	\$ 0	2
TOTAL REVENUES	<u>2</u>	<u>0</u>	<u>2</u>
EXPENDITURES			
Culture and Recreation			
Light repairs	0	0	0
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2	0	2
FUND BALANCE			
Beginning of year	00	00	0
End of year	\$ <u>02</u>	\$ <u>00</u>	\$ <u>2</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
CONTAINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	REVENUE FROM GAMBLING ADMISSION FEES		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Casino fees and commissions			
Riverboat admission fees	\$ 118,734	\$ 100,000	\$ 18,734
Miscellaneous			
Interest income	7,144	0	7,144
TOTAL REVENUES	<u>125,878</u>	<u>100,000</u>	<u>25,878</u>
EXPENDITURES			
Public Works			
Street overhauling	271,493	153,000	(118,493)
Intergovernmental - GFDG	23,000	0	(23,000)
Bank charges	147	0	(147)
TOTAL EXPENDITURES	<u>294,630</u>	<u>153,000</u>	<u>(141,930)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(168,752)	47,000	(215,752)
OTHER FINANCING SOURCES (USES)			
Operating transfer in	0	0	0
Operating transfer-out	(9,752)	(25,000)	15,248
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,752)</u>	<u>(25,000)</u>	<u>15,248</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(178,504)	22,000	(200,504)
FUND BALANCE			
Beginning of year	287,584	287,584	0
End of year	\$ <u>109,080</u>	\$ <u>287,584</u>	\$ <u>(178,504)</u>

ENTERPRISE FUNDS

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

WATERWORKS AND GAS UTILITIES FUND

Used to account for the provision of water and natural gas services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to operations, maintenance, administration, financing and related debt service, and billing and collection.

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS AND GAS UTILITY FUND
BALANCE SHEET
JANUARY 31, 1993

ASSETS

Current Assets

Cash and cash equivalents	\$	321,373
Receivables		
Accounts receivable	186,850	
Property taxes	55,349	
Due from other governments	4,351	
Other	1,968	
Due from other funds	13,682	
Inventory	46,800	
Prepaid insurance	7,200	
Total Current Assets		<u>587,213</u>

Restricted Assets

Cash and cash equivalents	57,286	
Total Restricted Assets		<u>57,286</u>

Premises, plant and equipment
less of accumulated depreciation
and amortization of \$ 241,349

1,984,034

TOTAL ASSETS \$ 2,247,000

LIABILITIES AND FUND EQUITY

LIABILITIES

Current Liabilities

Accounts payable	\$	48,787
Accounts receivable		0
Due to other funds		0
Total Current Liabilities		<u>48,787</u>

Current Liabilities Payable From Restricted Assets

Commodities payable	83,886	
Due to other funds	8,349	
Total Current Liabilities Payable From Restricted Assets		<u>92,235</u>

TOTAL LIABILITIES 139,022

FUND EQUITY

Fund Resources

Cash donated		
From donations from municipality	500,000	
Contributions from Federal grant	470,480	
Total Contributed Capital		<u>970,480</u>

Retained Earnings

Reserved for depreciation and contingencies	100,000	
Unreserved	80,728	
Total Retained Earnings		<u>180,728</u>

TOTAL FUND EQUITY 2,088,000

TOTAL LIABILITIES AND
FUND EQUITY \$ 2,247,000

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS AND GAS UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES, AND
TRANSFERS IN DETAIL—BY FUND—ACTUAL AND BUDGET
FOR THE REVIEW MONTHS ENDED JANUARY 31, 1997

	ACTUAL	BUDGET	VARIANCE (FAVORABLE /UNFAVORABLE)
OPERATING REVENUES			
Water sales	\$ 150,154	\$ 148,500	\$ (2,654)
Gas sales	97,000	107,000	(10,000)
Service charges	1,700	1,500	2,000
Investment charges	2,000	2,500	(500)
Refugees proceeds	8,000	10,000	(2,000)
Miscellaneous	(15)	1,500	(1,515)
Total Operating Revenues	<u>258,800</u>	<u>277,500</u>	<u>(18,700)</u>
OPERATING EXPENSES			
Contracted services	48,400	139,500	91,100
Contracted services	489,736	599,700	109,964
Materials and supplies	11,878	27,200	15,322
General and administrative	77,084	73,079	4,005
Depreciation and amortization	29,776	50,000	20,224
Depreciation on assets transferred	14,036	23,124	9,088
Total Operating Expenses	<u>611,270</u>	<u>1,022,503</u>	<u>411,233</u>
OPERATING INCOME (LOSS)	<u>(352,470)</u>	<u>(745,003)</u>	<u>392,533</u>
NON-OPERATING REVENUES-(EXPENSES)			
Interest income	11,576	11,500	(76)
Gift income taxes	83,240	80,000	3,240
Intergovernmental			
Grant - (SCTD) highway maintenance	6,150	11,700	5,550
Total Non-Operating Revenues-(Expenses)	<u>99,966</u>	<u>103,200</u>	<u>(3,234)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(252,504)</u>	<u>(641,803)</u>	<u>389,299</u>
OPERATING TRANSFERS OUT	3,000	0	3,000
GRANTING TRANSFERS OUT	(2,500)	0	(2,500)
NET INCOME (LOSS)	<u>(251,504)</u>	<u>(641,803)</u>	<u>390,299</u>
Add Back: Depreciation on contributed assets	19,608	25,075	(5,467)
RETAILLED EARNINGS			
Beginning of Year	1,091,875	1,091,875	0
End of Year	<u>\$ 840,371</u>	<u>\$ 450,072</u>	<u>\$ 390,299</u>

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS AND GAS UTILITY FUND

SCHEDULE OF OPERATING EXPENSES - ACTUAL AND BUDGET FOR THE NINE MONTHS ENDED JANUARY 31, 1997

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
PERSONAL SERVICES			
Office:	\$ 48,217	\$ 49,000	\$ 783
Payroll taxes:	1,243	4,000	2,757
Insurance - workmen's compensation:	7,211	11,000	3,789
Insurance - hospitalization and other:	10,741	25,000	14,259
Total Personal Services:	67,412	89,000	21,588
CONTRACT AND SERVICES			
Water purchase:	324,700	398,000	73,300
Gas purchase:	72,360	88,000	15,640
Wiring expenses:	111,618	171,700	60,082
Total Contract Services:	408,678	657,700	249,022
MATERIALS AND SUPPLIES			
Construction materials and labor:	1,607	4,000	2,393
Gas and oil:	4,224	4,000	224
Chemicals:	1,120	4,700	3,580
Small tools and supplies:	1,479	11,000	9,521
Total Material and Supplies:	8,430	23,700	15,270
GENERAL AND ADMINISTRATIVE			
Rent:	4,261	4,000	261
Rent telephone:	0	0	0
Rent charges:	71	80	9
Inspection fee:	0	574	574
Insurance - general and auto:	16,817	21,000	4,183
Interdepartmental reimbursement fee:	0	10,000	10,000
Bank service:	100	5,000	4,900
Legal and professional:	1,070	2,000	830
Miscellaneous:	1,270	1,000	270
Office and janitor supplies:	2,769	2,000	769
Physicals and drug testing:	704	5,000	4,296
Printing:	2,629	5,000	2,371
Repairs and maintenance:			
Buildings:	1,629	2,000	371
Equipment and machines:	1,096	4,000	2,904
Gas, Gas Leases:	2,977	2,000	977
Office equipment:	2,622	2,000	622
Delinquent:	0	2,000	2,000
Vehicles:	1,281	1,000	281
Water distribution system:	11,214	5,000	6,214
Water transmission:	2,000	5,000	3,000
Water and gas meters:	821	500	321
Water tests:	179	0	179
Gas, collection transmission:	33	2,000	1,967
Subplans:	1,796	4,000	2,204
Training school:	150	500	350
Travel indicator:	0	400	400
Tuition:	161.58	40,000	39,838.42
Total General and Administrative:	79,680	170,000	90,320
DEPRECIATION			
Depreciation and amortization:	29,776	26,000	3,776
Depreciation on contributed assets:	14,026	21,020	7,044
Total Depreciation:	43,802	47,020	3,218
TOTAL OPERATING EXPENSES	\$ 498,774	\$ 1,073,720	\$ 574,946

AGENCY FUNDS

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

PROPERTY TAX PROTEST

Used to account for all valuations taxes collected under protest. The funds are held in this account pending resolution of the protest.

GRAND-ISLE RELIEF FUND

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

TOWN OF GRAND ISLE, LOUISIANA

AGENCY FUNDS
 COMBINING BALANCE SHEET
 JANUARY 31, 1997

	PROPERTY TAX PROCEEDS	GRAND ISLE REVENUE	TOTAL
ASSETS			
Cash and cash equivalents	\$ 1,102	\$ 7,006	\$ 8,108
TOTAL ASSETS	<u>\$ 1,102</u>	<u>\$ 7,006</u>	<u>\$ 8,108</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to taxing bodies and others	\$ 1,102	\$ 0	\$ 1,102
Other funds payable	0	7,006	7,006
Total Liabilities	<u>1,102</u>	<u>7,006</u>	<u>8,108</u>
FUND BALANCE:			
	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,102</u>	<u>\$ 7,006</u>	<u>\$ 8,108</u>

TOWN OF GRAND ISLE, LOUISIANA

AGENCY FUNDS

COMBINING SCHEDULE OF CHANGES IN DEPOSIT BALANCES

DUE TO OTHERS

FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997

	PROPERTY TAX PROCEEDS	GRAND ISLE RELIEF	TOTAL
DEPOSIT BALANCES DUE TO OTHERS AT FISCAL YEAR END 1996	\$ 3,113	\$ 7,212	\$ 10,325
COLLECTIONS			
Deposits:			
Interest income	26	58	84
Total Collections	<u>26</u>	<u>58</u>	<u>84</u>
DISTRIBUTIONS			
Deposits certified to:			
Disaster victims and vendors	0	0	0
Capital outlay - public works facilities	0	188	188
Total Distributions	<u>0</u>	<u>188</u>	<u>188</u>
DEPOSIT BALANCES DUE TO OTHERS AT JANUARY 31, 1997	\$ <u>3,139</u>	\$ <u>7,082</u>	\$ <u>10,221</u>

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF PAYMENTS TO ALDERMEN

For the Seven Months Ended January 31, 1997

<u>ALDERMEN</u>	<u>AMOUNT</u>
Ray Sankin	\$ 2,519
Ernie Dubois	2,519
Roger Camardelle	2,519
David Camardelle	2,519
Robert Collins, Jr.	2,519
TOTAL	<u>\$ 12,585</u>

**TOWN OF GRAND ISLE
 STATEMENT OF ASSET AND LIABILITY BALANCE
 January 31, 1997**

STATEMENT	BANK	1996 BANK BALANCE	1997 BANK BALANCE
GENERAL FUND			
CASH AND EQUIV.			
Police		\$	\$
Operating	South Lafourche Bank	108,270	89,697
Account receiv.	South Lafourche Bank	5,898	3,117
Prepaid	South Lafourche Bank	17,948	8-1
Appropriat. Bank	Community Bank	50,490	32,521
		<u>182,606</u>	<u>125,336</u>
LONG-TERM ASSET MANAGEMENT FUND			
General Fund Account		80,000	80,000
		<u>80,000</u>	<u>80,000</u>
TOTAL GENERAL FUND		\$ 262,606	\$ 205,336
SPECIAL REVENUE			
CASH AND EQUIV.			
Challenge Exercise No. 1	South Lafourche Bank	\$ 4,071	\$ 4,071
Recycling Fund	South Lafourche Bank	3,500	3,500
Community Center	South Lafourche Bank	21,100	20,000
Wrecked Building	South Lafourche Bank	91,799	88,071
Wingate Control	South Lafourche Bank	80,200	77,000
Amphitheater (Water No. 2)	South Lafourche Bank	0	0
Bridge Lighting	South Lafourche Bank	100	100
Debris and Facilities	South Lafourche Bank	241	241
Bridge Repair	South Lafourche Bank	488	488
Greenwood	South Lafourche Bank	40,241	40,241
		<u>182,606</u>	<u>183,611</u>
LONG-TERM ASSET MANAGEMENT FUND			
Municipal Center		3,500	3,500
Recreation		2,400	21,475
Community Center		5,000	50,000
Beaufort/Grand Bay Administration Fee		3,700	3,700
		<u>14,600</u>	<u>78,675</u>
TOTAL SPECIAL REVENUE FUNDS		\$ 197,206	\$ 262,286

TOWN OF GRANBY, VT.
SCHEDULE OF CLAIMS AND CASH EQUIVALENTS (CONTINUED)
January 31, 2007

FUNDAL ACCOUNT	BANK	LEAST BANK BALANCE	LEAST BANK BALANCE
EXPENSE FUND FUND			
Waterworks and Sanitation - Unrestricted			
CASH AND CASH EQUIV			
Water and San	South Lake Union Bank	128,488	128,487
Openwater/SDM	Fidelity	500	500
Water/San/Storm		0	0
Sanitary Services	Wahconchee	7,600	7,600
Regulation and Contingencies	Wahconchee	10,000	10,000
		<u>146,588</u>	<u>146,587</u>
CONSTRUCTION DEFERRED			
Regulation/Stormwater	Wahconchee	1,000	1,000
COMBINATION ASSET MANAGED ASSETS FUND			
Water and San		20,000	20,000
Water and San - restricted		10,000	10,000
Regulation and Contingencies		10,000	10,000
		<u>40,000</u>	<u>40,000</u>
Total Unrestricted		<u>186,588</u>	<u>186,587</u>
Waterworks and Sanitation - Restricted			
CASH AND CASH EQUIV			
Main Street	Bank One	10,000	10,000
COMBINATION ASSET MANAGEMENT FUND			
Main Street		11,000	11,000
Total Restricted		<u>21,000</u>	<u>21,000</u>
TOTAL PROPRIETARY FUNDS		\$ 207,588	\$ 207,587
TOWN OF GRANBY'S			
CASH AND CASH EQUIV			
Emergency Res. Fund	Wahconchee	\$ 1,100	\$ 1,100
Special Job Referral Fund	South Lake Union Bank	1,000	1,000
TOTAL TOWN'S ASSETS		\$ 2,100	\$ 2,100
GRAND TOTAL		\$ 209,688	\$ 209,687

SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S REPORT ON
THE INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Arthur Belonger, Mayor and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, as of and for the seven months ended January 31, 1997, and have issued my report thereon dated July 8, 1997. In my report, my opinion was qualified due to a scope limitation on the Town's appearance bond liability accounts and on the fines and forfeitures revenues.

Except as noted above, I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town 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 general purpose 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 my audit of the general purpose financial statements of the Town of Grand Lake, Louisiana for the seven months ended January 31, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters, which are listed on the attached schedule, involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure, that, in my 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.

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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions, accordingly, would necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe that items 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, and 13 on the following schedule are material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the general purpose financial statements of the Town for the seven months ended January 31, 1997.

I also noted other matters involving the internal control structure and its operations that I have reported to the management of the Town in a separate letter entitled "Memorandum of Adversity Comments", dated July 8, 1997.

This report is intended for the information of the Town's management, all applicable Federal and State agencies, and the Legislative Auditor of the State of Louisiana and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Paul Reim, CPA

July 8, 1997

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF REPORTABLE CONDITIONS

For the Seven Months Ended January 31, 1997

I. CONDITION

The Town was unable to provide sufficient evidential matter to support the balances in the appearance bond deposit account and the amounts that should have been recognized as revenue in the fines and forfeitures account.

In the past, the Police Department had the responsibility of issuing and collecting traffic fines. A "master log" was maintained by the Police Department showing the tickets issued and their ultimate disposition. When the new administration took over in July 1996, the receipt function was taken away from the Police Department. Instead, the Mayor's Office was to collect the fines and would provide the Police Department with a recap-of-collections. The Mayor even hired a computer consultant to develop an accounting and reporting program.

Apparently, the computer program never worked properly and the anticipated reports were not generated. This resulted in the Police Department not being notified of the disposition of tickets and the master log not being updated. Because of the lack of any kind of report, the accounting department was also unable to determine the amount of appearance bonds on hand which should have been refunded or taken into income.

RECOMMENDATION

If the receipt function is to be separated from the Police Department, a report of some kind should be provided to the Police Department and the Accounting Department noting the disposition of the ticket. This would allow the master log to be updated and the revenues to be recorded as earned.

RESPONSE

The current administration is reviewing the tickets issued and brought to court to try and determine the status of each item. We hope to have a reconciled listing in the next few weeks which will allow us to recognize the revenues earned. It is anticipated that the receipt function will continue to be done by the Mayor's office, however, reports will be provided to the Police Department.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF REPORTABLE CONDITIONS (CONTINUED) For the Seven Months Ended January 31, 1997

2. CONDITION

During my testwork on cash, it was noted that the Town's cash accounts had not been reconciled for three months. Further testing revealed that the majority of the bank reconciliations performed for October 1996 were done incorrectly and did not agree to the Town's general ledgers. The problem seems to have been caused by the Town Treasurer lacking the required accounting skills to perform the duties of the position, despite having been trained for several months by the former Town Treasurer. Because the condition went on for so long, it appears that an overall lack of supervision over the Treasurer's Office compounded the condition.

Proofs of cash had to be performed on each account to determine the true balance at January 31, 1997. The result was a significant number of journal entries being posted to bring the accounts into balance.

RECOMMENDATION

All of the Town's cash accounts should be reconciled on a monthly basis. Any adjustments noted should be recorded immediately. The Mayor or the Town Clerk should review and approve the bank reconciliations upon completion. Proof of this review could come in the form of an initial or signature approving the reconciliation.

RESPONSE

This will be done. A cash balance sheet will be provided to the Aldermen for review each month. Currently, all accounts are reconciled as of June 28th, except for the Water & Gas fund.

3. CONDITION

For the funds which do not have a computerized general ledger, the Town maintains a cash receipts and disbursements journal in order to account for the transactions and cash balances of the funds. During my testwork, several instances were noted whereby this journal (called the "OBA" book), was not being kept up to date. The result was that the balances noted on the bank reconciliations did not agree to the balances in the OBA book.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF REPORTABLE CONDITIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

Further testing revealed that the majority of the ORA journals that were up to date contained posting errors or omissions. Thus, the balances may have been up to date, but they were incorrect.

RECOMMENDATION

The ORA journals should be posted on a timely basis (i.e., daily) and should be reconciled to the bank statements at least monthly. For those funds with computerized ledgers, the ORA balances should agree to the ledger and the bank statements/reconciliation.

RESPONSE

This will be done by the current Treasurer.

4. CONTINUUM

The Town maintains almost all of its idle cash with the Louisiana Asset Management Pool (LAMP). During my testwork on investments, it was noted that none of the balances recorded on the general ledger at January 31, 1997 agreed to the balances on the monthly LAMP statements.

Some of the differences noted related to the Town Treasurer not recording interest earned. In other cases, deposits or withdrawals from the accounts were either not recorded or were recorded in the wrong fund. A significant number of journal entries were needed to bring the accounts into balance.

RECOMMENDATION

All transactions in the LAMP accounts should be recorded and the LAMP accounts should be reconciled on a monthly basis.

RESPONSE

This will be done by the current Treasurer.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF REPORTABLE CONDITIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

5. CONDITION

The tax roll is currently provided to the Town by the Parish Assessor's Office in paper form. During my testwork on revenues, I noted that the tax roll was not "footed" by the Town to check the clerical accuracy as had been done in past years. The tax roll summary pages have historically been incorrect. Upon footing the tax roll, it was noted that the totals were once again incorrect. Thus, the amount of taxes due which was posted to the daily recap sheets was incorrect.

It was also noted that the taxes receivable per the roll were not recorded on the Town's books. Thus, receivables and revenues at January 31, 1997 were significantly understated. Several adjustments were needed to reflect the proper balances.

RECOMMENDATION

The tax roll book should be footed upon receipt to verify its clerical accuracy. The amount of taxes due should also be recorded on the Town's ledger upon the bills being mailed. Collections should then be posted to the receivable account upon deposit.

RESPONSE:

This will be done in the future.

6. CONDITION

Bills for occupational licenses are typically mailed in December to the businesses operating within the Town and are due on January 1. During my testwork of revenues, I noted that the bills were not mailed out as of January 31, 1997. No explanation could be provided by the current administration as to why the bills were not mailed.

RECOMMENDATION

Occupational licenses should be mailed/billed on time. It should be noted that the bills were mailed out in March 1997, thus, the Town is collecting its revenues prior to its fiscal year ending and all businesses are properly licensed.

RESPONSE:

This will be done in the future.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF REPORTABLE CONDITIONS (CONTINUED)
For the Seven Months Ended January 31, 1997

7. CONDITION

The Town currently collects garbage from the State Park under an annual contract. During my testing of revenues, I noted that the bills to the State Park were not being recorded as accounts receivable upon issuance. The result was that upon receipt of payment, the deposit posted against receivable was referring a receivable which had never been set up. Thus, receivables and revenues under this contract were misstated at January 31, 1997. A number of journal entries were needed to reflect the proper balances.

RECOMMENDATION

The invoices mailed to the State Park should be recorded when issued. The receivable and revenue accounts should also be reviewed periodically to determine their accuracy.

RESPONSE

This will be done in the future.

8. CONDITION

During the normal course of operation, the Town's various funds incur expenses on behalf of each other or transfer money to and from depending on the cash needs of the fund. These transactions are recorded through various "Due to/Due from" accounts. During my testing of these balances, I noted that some of the interfund receivables and payables were in balance at January 31, 1997. The outages appear to have been caused by several mispostings as well as the town Treasurer's inability to understand the concept of accounting for interfund transactions. A significant number of adjustments were needed to bring the accounts into balance.

RECOMMENDATION

The various Due to/Due from accounts should be reconciled on a monthly basis.

RESPONSE

This will be done in the future.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF REPORTABLE CONDITIONS (CONTINUED)
For the Seven Months Ended January 31, 1997

9. CONDITION

During my testwork of the Water and Gas fund, I noted that the accounts receivable amount per the "Utility Billing Summary Trial Balance" report did not agree to the amount recorded on the fund's general ledger. While there were several mispostings noted, the main reason for the difference was the \$25,000 in bad debt which was written off at June 30, 1996. It was first thought that the accounts were not written off in the computer system, however, when the clerk pulled up the accounts on the computer, they were "blank". Thus, it appears that an attempt was made to write the accounts off, but it does not appear that this was done properly.

RECOMMENDATION

The Town should contact its computer consultant to review the accounts written off. It should be determined why the balances show up "blank", yet the amounts are included in the summary trial balance total. Once in balance, the ledger and the summary trial balance should be compared on a monthly basis.

RESPONSE

We will contact our computer consultant to have him review the accounts in question.

10. CONDITION

During my review of the Town's records, it was noted that the beginning balances on the ledger for the month of November did not agree to the ending balances from the month of October. Apparently, the October books were not properly closed out before transactions for the month of November were input. Thus, in December, both October and November were closed at the same time. The computer system responded by wiping out the October transactions and double-posting the November transactions.

RECOMMENDATION

The proper close-out procedures should be followed. If an error is noted, the Town's computer consultant should be notified immediately to determine the proper course of action.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF REPORTABLE CONDITIONS (CONTINUED) For the Seven Months Ended January 31, 1997

RESPONSE:

The current Treasurer is very familiar with the required close-out procedures. We do not anticipate this happening again.

11. CONDITION

During the month of November 1996, the Town acted as the "local sponsor" for a circus which came to Town. Under the terms of the contract, the Town would advertise for the circus and would sell advance tickets in exchange for a percentage of sales. When the circus arrived, the Town was to return any unused tickets and was to remit the ticket receipts "in cash" to the circus.

During my audit, it was brought to my attention, that a check made out by a local business to the "Town of Grand Isle Park and Recreation District" had been cashed at a local supermarket by the Town Clerk and the Town Treasurer. Upon further investigation, two other checks were found to have been cashed. The three checks totaled \$150.00.

According to the Town Clerk, the reason the checks were cashed was because of the contract term calling for remittance to the circus "in cash". Apparently, the circus refused any checks. As such, it appears that some checks made out to the Park District were deposited by the Town while others were cashed.

My inquiry into this situation was further hampered by the lack of any accounting of the receipts. A copy of a settlement sheet was found, however, it does not differentiate cash receipts from checks.

RECOMMENDATION

No Town official should have the authority to cash a check made out to the Town of Grand Isle or any of its parishes/districts under any circumstance. Also, all disbursements made by the Town should be in the form of a check to ensure accountability. Additionally, any check made out to the Town or one of its parishes/districts should be deposited into the Town's accounts. Finally, the Town should be very wary of doing business with any company which requires payments in cash.

RESPONSE:

This will not happen again. All checks made out to the Town will be deposited into the Town accounts.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF REPORTABLE CONDITIONS (CONTINUED)
For the Seven Months Ended January 31, 1997

12. CONDITION

During my performing proofs of cash on the Town's accounts, it was noted that checks were being issued out of sequence. For example, checks 101 to 110 and 120 to 150 would be issued in one month, while checks 111 to 119 would be issued in the next month. In some cases, the breaks between check numbers would span more than 30 days. The current administration has no explanation for the prior administration not using checks in numerical sequence.

RECOMMENDATION

Checks should be used in numerical sequence.

RESPONSE:

This will not happen again.

13. CONDITION

During my testwork on cash and my performance of proofs of cash on the Town's accounts, I noted several deposits that hit the bank which were not recorded on the Town's books. While further investigation found the source of the deposit in most instances, there were still a few where a daily recap sheet could not be found to support the deposit. Thus, these items were never explained. The total amount of unexplained items was minimal, however, the fact that this occurred indicates a problem in the accounting process.

RECOMMENDATION

All deposits should be recorded and supported by a daily recap sheet.

RESPONSE:

All deposits will be supported by a daily recap sheet and will be recorded.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF REPORTABLE CONDITIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

14. CONDITION

During my testwork on cash and performing proofs of cash on the Town's accounts, I noted that the Town Treasurer was not recording NSF transactions, nor was he redepositing the checks. A significant number of journal entries were needed to record the transactions and the current Town Treasurer is still tracking down redempts and trying to collect on items still deemed NSF.

RECOMMENDATION

All checks returned from the bank as NSF should be recorded immediately. The redeposit of these checks should also be recorded when done. A listing of outstanding NSF items should be maintained which reconciles to the balance in the general ledger account.

RESPONSE:

All NSF checks received from the bank will immediately be investigated and redeposited if possible. The activity will be recorded on the books in the future.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT PERFORMED IN
ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

*The Honorable Arthur Bellenger, Mayor and the Board of Aldermen
Town of Grand Isle, Louisiana*

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, as of and for the seven months ended January 31, 1997, and have issued my report thereon dated July 8, 1997. In my report, my opinion was qualified due to a scope limitation on the Town's appearance bond liability accounts and on the fines and forfeitures revenues.

Except as noted above, I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I 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 Town is the responsibility of the Town's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed the instances of noncompliance listed in the attached schedule. These instances of noncompliance are required to be reported under *Government Auditing Standards* for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Town's financial statements.

I considered these instances of noncompliance in forming my opinion on whether the Town's general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated July 8, 1997, on these general purpose financial statements.

This report is intended for the information of the Town's management, all applicable Federal and State agencies, and the Legislative Auditor of the State of Louisiana and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Paul Raines, CPA

July 8, 1997

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF NONCOMPLIANCE WITH
LAWS AND REGULATIONS
For the Seven Months Ended January 31, 1997**

1. **FINDING**

During my testwork on payroll, I noted that the federal tax withholdings on payroll and the related FICA/medicare taxes were not deposited with the IRS for the latter part of January and for all of the month of February. The current administration did make the required deposits and file the required 941 reports in March of 1997.

RESPONSE:

This will not happen again. All deposits are currently up to date and all forms have been filed.

Paul C. Rivera, CPA

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

The Honorable Arthur Bellanger, Mayor and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, for the seven months ended January 31, 1997, and have issued my report thereon dated July 8, 1997. In my report, my opinion was qualified due to a scope limitation on the Town's appearance bond liability account and the related fines & forfeitures revenue. These general purpose financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

Except as noted above, I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of Town of Grand Isle, Louisiana, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Paul Rivera, CPA

July 8, 1997

TOWN OF GRAND ISLE

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1987

FEDERAL AGENCY/PROGRAM (DESCRIPTION)	FEDERAL TITLE NUMBER	DESCRIPTION OF PURPOSE	APPLICABLE FISCAL YEAR	FISCAL ACCOUNT	
FEDERAL PROPERTY MANAGEMENT BOARD					
Grant to support the Department of Conservation - State of Vermont (1986-1987)					
Forest Stewardship System - Grand Isle/Colchester/Franklin (1986)	3306-01	STUDY AND DEVELOPMENT OF FOREST PLAN	Forest/Conservation	6	10,000 00
TOTAL FEDERAL ASSISTANCE RECEIVED/PAID					
DEPARTMENT OF EDUCATION					
Fund for the State Department of Education - State of Vermont (1986-1987)					
Learning Activity Plan - Phase I	4-864	TEACHING	Public/Conservation		10,000 00
TOTAL ASSISTANCE OF DEPARTMENT					
DEPARTMENT OF AGRICULTURE					
Grant to support the Department of Family Support - State of Vermont (1986-1987)					
Food Stamp Administration (1986)	1000		12-01-86	10-0-01	1,000 00
TOTAL ASSISTANCE OF DEPARTMENT					
TOTAL					
REVENUE (FOR ASSISTANCE)					
REVENUE TO BE RECEIVED FROM Grand Island					
10-011			10-0-01	10-0-01	
TOTAL FEDERAL ASSISTANCE					

(1) ASSISTANCE TO BE RECEIVED FROM: Grant received from (1986-1987) period only

(2) ASSISTANCE TO BE RECEIVED FROM: Grant received to date & in progress only

(3) ASSISTANCE RECEIVED/PAID FROM: Grant received to date & expenditures

(4) ASSISTANCE RECEIVED/PAID FROM: Grant received to date & expenditures to date

	ACCOUNTS RECEIVABLE		ACCOUNTS PAYABLE		TOTAL ASSETS		TOTAL LIABILITIES	
	12/31/08	12/31/09	12/31/08	12/31/09	12/31/08	12/31/09	12/31/08	12/31/09
1	10,000	9,500	10,000	9,500	10,000	10,000	9,500	10,000
	<u>10,000</u>	<u>9,500</u>	<u>10,000</u>	<u>9,500</u>	<u>10,000</u>	<u>10,000</u>	<u>9,500</u>	<u>10,000</u>
	10,000	9,500	4	2,000	4	3	3	4
	<u>10,000</u>	<u>9,500</u>	<u>10,000</u>	<u>2,000</u>	<u>10,000</u>	<u>3</u>	<u>3</u>	<u>4</u>
	0	0	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	0	0	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
3	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	0	0	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	0	0	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Paul C. Rivera, CPA

**INDEPENDENT AUDITOR'S REPORT ON THE
INTERNAL CONTROL STRUCTURE
USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

*The Honorable Arthur Bellanger, Mayor and the Board of Aldermen
Town of Grand Isle, Louisiana*

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, as of and for the seven months ended January 31, 1997, and have issued my report thereon dated July 8, 1997. In my report, my opinion was qualified due to a scope limitation on the Town's appearance-board liability account and the related fines and forfeitures revenues.

Except as noted above, I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, Audits of State and Local Governments. These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Towns complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing my audit for the seven months ended January 31, 1997, I considered the internal control structure of the Town in order to determine my auditing procedures for the purpose of expressing my opinions on the general purpose financial statements of the Town, and on compliance of the Town with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the financial statements in a separate report dated July 8, 1997.

The management of the Town 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, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance 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.

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering Federal financial assistance programs in the following categories:

Accounting Applications:

- Cash
- Revenues, receivables and receipts
- Liabilities for goods and services and accounts payable
- Grant and similar programs

Controls Used in Administering Federal Programs:

General Requirements:

- Political activity
- Civil rights
- Federal financial reports
- Allowable cost/audit principles
- Drug-free workplace
- Administrative requirements

Specific Requirements:

- Types of services
- Matching, level of effort, or cost-sharing

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the seven months ended January 31, 1997, the Town had no major federal financial assistance programs and expended 85 percent of its total federal financial assistance under the following nonmajor federal financial assistance programs:

Food Stamp Program
Passed through Jefferson Parish
CFDA # 18.551

I performed tests of controls, as required by CBM Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching, that are applicable to the aforementioned nonmajor federal financial assistance program. My procedures were less in scope than would be necessary to make an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

I did note other matters involving the internal control structure and its operations that I have reported to the management of the Town in a separate letter entitled "Matters of Advisory Comments", dated July 8, 1997.

This report is intended for the information of the Town's management, all applicable Federal and State agencies, and the Legislative Audit of the State of Louisiana, and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Paul R. ... CPA
July 8, 1997

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH GENERAL REQUIREMENTS APPLICABLE
TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Arthur Dellinger, Mayor and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the general purpose financial statements of Town of Grand Isle, Louisiana, as of and for the seven months ended January 31, 1997, and have issued my report thereon dated July 8, 1997. In my report, my opinion was qualified due to a scope limitation on the Town's appearance bond deposit liability account and the related fines and forfeitures revenues.

I have applied procedures to test the Town's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the seven months ended January 31, 1997:

- Political activity
- Civil rights
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace
- Administrative requirements

My procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single audits of State and Local Governments*. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the Trust had not complied, in all material respects, with those requirements. However, the results of my procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended solely for the use of the Trust's management, all applicable Federal and State agencies, and the Legislative Auditor of the State of Louisiana, and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Paul R. Jones, CPA
July 8, 1997

Paul C. Rivera, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR PROGRAMS

The Honorable Arthur Dellinger, Mayor and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, as of and for the seven months ended January 31, 1997, and have issued my report thereon dated July 8, 1997. In my report, my opinion was qualified due to a scope limitation on the Town's appearance bond deposit liability account and the related fines and forfeitures revenues.

In connection with my audit of the January 31, 1997 general purpose financial statements of Town of Grand Isle, Louisiana and with my consideration of the Town's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audit of State and Local Governments*, I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the seven months ended January 31, 1997. As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to these transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion of the Town's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Town had not complied, in all material respects, with these requirements.

This report is intended solely for the use of the Tower's management, all applicable Federal and State agencies, and the Legislative Auditor of the State of Louisiana and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Paul R. Ryan, CPA

July 8, 1997

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 1997**

I. FINDING

HAZARD MITIGATION GRANT

FEMA-045-DW-LA/STATE PROJECT #045-091-0003, LA OFFICE OF EMERGENCY PREPAREDNESS - CPDA # - Unknown

During my testing of the financial reporting system related to this grant, I could not locate any Quarterly Progress Reports related to this grant since the quarter ended December 1995. Under the terms of the grant agreement, this report should be filed with the Louisiana Department of Emergency Services each quarter.

QUESTIONED COSTS

None.

RECOMMENDATION

It is recommended that the State be contacted to determine what reports are due and that those reports be filed as soon as possible.

RESPONSE

The current administration will follow up with the State and will file any reports due.

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MEMORANDUM OF ADVISORY COMMENTS

TOWN OF GRAND ISLE, LOUISIANA

For the Seven Months Ended January 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or audited, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Released Date: _____

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**INTERNAL CONTROL STRUCTURE
AND RELATED MATTERS**

Paul C. Rivera, CPA

The Honorable Arthur Bellanger, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the seven months ended January 31, 1997, and have issued my reports thereon dated July 8, 1997. As part of my audit, I considered the Town's internal control structure in order to determine the nature, timing, and extent of my auditing procedures for the purpose of expressing an opinion on the financial statements, and not to provide assurance on the internal control structure.

Reportable conditions which may have been noted during my consideration of the internal control structure have been reported on in a separately issued report, entitled "Independent Auditor's Report on Internal Control Structure in Accordance with Government Auditing Standards".

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

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

Paul Rivera, CPA
July 8, 1997

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS

For the Seven Months Ended January 31, 1997

IMPROVING EFFICIENCY OF OPERATIONS

1. COMMENT

As noted in the prior year, the Parish Assessor's Office (a separate entity) currently provides the Town with its "Tax Roll" each year. The Tax Roll consists of a computer printout of the all of the assessed values of the property within the Town as well as the taxes due. The roll is provided in paper-form and is several inches thick. As payments and/or change orders are received, they are manually posted to the tax roll by the tax clerk. This manual process is proving to be burdensome. Another area of concern is that at no time during the year is the amount receivable per the general ledger agreed to the amounts outstanding in the tax roll. The reason is that adding the tax roll up by hand would be too big of a task.

RECOMMENDATION

The Town should contact the Assessor's Office to determine whether the information could be provided on "tape" as well as paper. If available, the Town should consider having its computer consultants set up a data-base whereby the data could be uploaded from the Assessor's files and maintained on a computer on a go-forward basis. Monthly listings of accounts still due should be easily generated.

RESPONSE

This will be looked into before next year's tax roll is issued.

2. COMMENT

As noted in the prior year, it appears that there are several Special Revenue funds which appear to be inactive and which could possibly be closed. One of the primary rules of fund accounting is the "minimum funds rule". This rule basically states that a government should provide for a proper accounting of its activities with the least number of funds possible. The number of funds proves to be a burden to the Accounting Department in that each separate account requires a monthly reconciliation. A lot of time and paperwork could be cut if these funds were consolidated or closed into the General Fund.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

IMPROVING EFFICIENCY OF OPERATIONS (CONTINUED)

RECOMMENDATION

It appears that the following Special Revenue Funds can be closed due to the length of time since the last activity and, in some cases, because the primary purpose of the fund has already been met:

Fund	Cash Balance at January 31, 1997
Seismic and Production Fund	\$ 318
Bridge Repair Fund	497
Recreation Fund	14,754
Bridge Lighting Fund	807

In the case of the Recreation Fund, these monies could be transferred to the Community Center and Playground District No. 36 Fund.

RESPONSE:

The Board of Aldermen are currently considering a resolution to close these accounts.

3. COMMENT

As noted in the prior year, during my review of the internal controls over cash collections, I noted a large number of transactions are handled and posted on a "manual" basis. Most of the departments operate with cash boxes and manual receipts which must be counted and manually recorded on daily receipts for deposit. While the system appears to be working properly, it does pose a burden on the clerks when a large number of transactions must be posted manually.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

IMPROVING EFFICIENCY OF OPERATIONS (CONTINUED)

RECOMMENDATION

To increase efficiency, the Town should consider using cash registers as part of its collection process. Registers were purchased recently, however, their use was never implemented.

RESPONSE:

The registers were purchased by the former Mayor. We do not believe that the volume of activity warrants the use of registers. Additionally, until all of the records are brought up to date, changing to a register system would not be feasible anyway.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

INCREASING REVENUES AND CASH FLOWS

4. COMMENT

During my analytical procedures and as noted in prior years, there appears to be instances where the Town is providing a particular service to the residents but apparently is not recovering its cost. The two main areas of concern are the Sanitation Department and the Waterworks and Gas Utilities Fund. A breakdown of the revenues and expenditures of these departments for the last two years is presented below.

Fund/Department	January 31, 1997	June 30, 1996
Sanitation Department		
Revenues	\$ 158,525	\$ 251,258
Expenditures	149,434	263,579
Surplus (deficit)	9,091	(6,144)
Waterworks and Gas Utilities		
Revenues	268,608	912,830
Operating expenses	680,274	1,177,761
Net income (loss)	(411,666)	(264,931)

As can be seen from the table, the Waterworks and Gas Utilities Fund appears to be heading for financial trouble. From a deficient rate structure, to paying ever increasing barging costs, to an aging distribution system which has a 20 to 30 percent loss rate, to broken and aging meters which are not providing proper readings, the causes of the mounting losses in this fund are varied. Additional pressure was put on this fund in the 95-96 fiscal year due to an accumulated deficit in natural gas storage. The Town had to pay for gas in 95-96 which caused the negative storage.

RECOMMENDATION

The Town should review the rate structures being charged on these services and determine whether a rate increase is warranted. The efforts of the Town to look for a cheaper source of water (i.e., pipeline to Jefferson Parish) should also be continued. A meeting with the LMA Gas Authority would also seem to be in line to ensure that the Town does not incur additional costs in gas storage.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

INCREASING REVENUES AND CASH FLOWS (CONTINUED)

RESPONSE:

The Town continues pursuing a cheaper source of water for the residents. As for the Streets Department, we will review the costs and rate structure to determine if change is warranted.

5. COMMENT

As noted in the prior year, the fishing bridge improvements project is being funded through a grant from the Department of Wildlife and Fisheries. The Town incurs the expense and then requests reimbursement from the State. To date, \$323,123 has been spent on the project. At 75 percent, this means the State owes the Town \$242,342. As of January 31, 1997, only \$220,008 has been requested from the State.

RECOMMENDATION

The Town should instruct its engineer to file a request for reimbursement in order to recover the \$22,314 due.

RESPONSE:

The Town's engineer who oversees this project will be directed to contact the State on the balance due.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

PROTECTING THE ASSETS OF THE TOWN

6. COMMENT

As noted above, the original tax levy is provided on the Tax roll in paper form from the Assessor's Office. During the year, the State Tax Commission and the Assessor's Office issue "change orders" on levies made and taxes due. These change orders effectively change the amounts the Town will collect. During my testwork on property taxes, I noted that change orders were not being recorded on the daily receipts and, thus, were not being posted to the general ledger. This comment was also provided in the prior year.

RECOMMENDATION

The Property Tax Clerk should post all change orders to the Tax rolls and then record the effect of the change orders on the daily receipts and the general ledger.

RESPONSE

All change orders will be posted to the daily receipts as well as the Tax Roll itself.

7. COMMENT

As noted in the prior year, the Wastewater and Gas Utilities Fund maintains a restricted bank account for its meter deposits. The restricted assets should reconcile to the restricted liabilities. During my testwork, I noted that this was not being done. In fact, the restricted assets and liabilities did not balance and several adjustments were needed to bring them into balance.

RECOMMENDATION

The MDP accounts should be reconciled on a monthly basis. Cash and investments should equal meter deposits on hand and interest due to the Water and Gas Fund.

RESPONSE

The current treasury is aware of the reconciliations needed on the MDP accounts and will do them monthly.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

PROTECTING THE ASSETS OF THE TOWN (CONTINUITY)

8. COMMENT

As noted in the prior year, the Town does not maintain a formal in-house general ledger on its fixed assets. Instead, they have relied on the listing maintained by the Town CPA. While this listing can be assumed to be reliable, it is not maintained on a timely basis. It is updated annually during the audit.

RECOMMENDATION

The Town should take the figures from the audit worksheets and establish a true fixed asset ledger. This ledger should include the purchase date of the asset, the cost, the funding source, a brief description of the asset, a serial number if available, and the location/department to which the asset is assigned. This ledger should be updated periodically during the year to account for additions and deletions.

RESPONSE:

We will review this with our CPA and determine if, and when, this can be accomplished.

9. COMMENT

Several years ago, the Town began the practice of "tagging" its fixed assets with identification numbers. Although not required by law, this does provide a very effective means of tracking assets as well as acting as a deterrent to theft. During my testwork, I noted that the tag numbers were not being tracked in the general fixed asset listing.

RECOMMENDATION

The Town should look into implementing an in-house fixed asset ledger which is coordinated with the tagged asset system.

RESPONSE:

Same response as comment 8; we will meet with our CPA.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

IMPROVING FINANCIAL REPORTING

10. COMMENT

During my review on payroll and related liabilities, I noted that salaries are allocated by department, however, costs related to payroll, such as payroll taxes, hospitalization and workers' compensation insurance, are not allocated to each department. Instead, the General and Administrative Department covers these costs. The Police Department started getting charged for its share of these salary-related costs during the current fiscal year, however, none of the other Departments, such as the Mayor's Office, Streets or Sanitation are allocated any costs. This is distorting the true cost of providing a particular service. For example, a large percentage of the workers' compensation insurance cost relates to the streets and sanitation departments. For sanitation, where a fee is charged to cover costs, the expenses of this department are currently understated. If a fee is not to cover the costs shown in the department as it stands, the fee will be too low.

RECOMMENDATION

To get a better picture of the costs of each department within the General Fund, the Town should consider allocating these salary-related costs to each department with salaries expense.

RESPONSE

We will attempt to do this for the 97-98 fiscal year.

11. COMMENT

During my review on expenditures, I noted several instances where grant revenues were being posted as credits against the expenditure account rather than being recorded as revenue. This practice understates the Town's revenues and expenditures. It also makes it difficult for the agencies granting the money to the Town to determine whether it was used properly.

RECOMMENDATION

Grants (particularly those relating to police training and equipment) should be recorded as revenues and not as credits against the expenditure account.

RESPONSE

This will be done.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1987

IMPROVING FINANCIAL REPORTING (CONTINUED)

12. COMMENT

The Town now records inventory for gas held in storage with the Louisiana Municipal Gas Authority. Each month, a bill is presented to the Town showing the purchases and uses of gas for the period, as well as the end of month inventory. During my testwork on inventory, I noted that the inventory accounts was not being adjusted on a monthly basis for changes noted on the bill. Thus, inventory at January 31, 1987 was overstated until adjustments were made.

RECOMMENDATION

The Town should adjust its inventory account to reflect the proper balance at the end of each month.

RESPONSE

This will be done on a monthly basis.

13. COMMENT

During my testwork on fixed assets, I noted a number of mispostings in the capital outlay expenditure accounts, particularly in the lease payments. These items were not being consistently posted to a single account. For example, payments 2, 3, and 4 would be posted to one account and then the next 2 payments would go against another account.

RECOMMENDATION

Greater care should be given to the coding of expenditures, particularly the lease payments.

RESPONSE

The Town Clerk will be notified to review the codings on leases and installment purchases more carefully.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

GENERAL COMMENTS

14. COMMENT

As of January 31, 1997, the Drainage District No. 1 Special Revenue Fund had a deficit in its undesignated fund balance of \$4,879. This deficit appears to have resulted from cost overruns and unanticipated costs associated with installing the 3 pumps under the Hazard Mitigation Grant.

RECOMMENDATION

The Town should monitor the financial position of the Drainage District fund as the projects go on. The General Fund should immediately cover any shortfall noted.

RESPONSE

This will be looked as the situation occurs.

15. COMMENT

The Town currently provides take-home vehicles for some of its employees. During my testing of payroll, I did not see where the Town was accounting for the "personal" use of these vehicles. Several local governmental entities have recently been cited by the Internal Revenue Service (IRS) for violations relating to automobile usage and taxation.

IRS rules and regulations require the personal use of company-owned vehicles be taxed to the individual as a "fringe benefit". There are several ways currently in practice which would comply with these requirements. The Town could issue a 1099 form at the end of the year based on estimated personal use. Another way to properly reflect this benefit would be to simply include it on the employee's W-2 form at year end. Yet another way would be to charge the employee for personal use.

Another concern with the personal use of Town vehicles relates to insurance coverage. Are the passengers in the car covered when the car is being used for personal reasons?

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

GENERAL COMMENTS (CONTINUED)

RECOMMENDATION

The Town should implement policies whereby the personal use of vehicles is properly reflected in the payroll records. Tracking the annual miles and calculating the personal use percentage could be done rather easily without a lot of paperwork. At a minimum, weekends and holidays would be considered personal use. The insurance coverage should also be reviewed to ensure that all usage is covered to some extent.

RESPONSE

We will review this with our CPA to determine the proper policy.

16. COMMENT

At June 30, 1996, a liability to Dehite Fishing and Rental Tools, Inc. was discovered in the amount of \$49,205. This amount represents several year's worth of administrative and maintenance payments due under a 25 year old lease agreement for access to a 6 inch natural gas line. Apparently, the Town was contacted several times within the past few years regarding the amounts due, however, no payments were made and no liability was recorded. During my testwork on the Water & Gas Fund, I noted that the Town only paid 1/3 of the amount due. The remainder continues to be carried as a liability.

RECOMMENDATION

Recognizing how payments due on a 25 year old lease could fall through the cracks, the Town should still be alert to such agreements and/or contracts and should properly account for the amounts due. A resolution of some type should be made on the balance due.

RESPONSE

This matter is under negotiation. Any amounts proven to be owed by the Town will be paid, however, we are looking to set up payments over time.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED) For the Seven Months Ended January 31, 1997

GENERAL COMMENTS (CONTINUED)

17. COMMENT

The Town currently maintains a passbook account with \$3,152 in it which represents an ad valorem tax paid back in the 1980s under protest. While state statutes provide for protested taxes to be held pending resolution of the protest, there are statutory limitations on the amount of time allowed the taxpayer to file suit. Absent a properly filed suit, the money should be distributed. There is nothing in the file to indicate that a suit has been filed on this matter.

RECOMMENDATION

The Town should close the protested taxes fund out and transfer the monies to the General Fund.

RESPONSE

The Board of Aldermen are currently considering a resolution to do this.

18. COMMENT

During my review on expenditures, I noted several instances whereby an expense report was turned in with little or no support for the costs incurred. The majority of the costs related to mileage and meals.

RECOMMENDATION

All expense reports should have proper supporting documentation (i.e., receipts) and stated business purposes (for mileage and meals). The reports should be reviewed for completeness prior to reimbursement being issued.

RESPONSE

This will be looked into. All employees will be directed to turn in complete forms along with the proper support or face not getting reimbursed.

*COMPLIANCE WITH LAWS
AND REGULATIONS*

Paul C. Rivera, CPA

The Honorable Arthur Bellanger, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the seven months ended January 31, 1997, and have issued my reports thereon dated July 8, 1997. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions.

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

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

Paul Rivera, CPA
July 8, 1997

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF NONCOMPLIANCE WITH LAWS AND REGULATIONS For the Seven Months Ended January 31, 1997

1. FINDING

The Parish of Jefferson receives federal assistance in the form of food stamps. The Parish also receives cash assistance for administering the food stamp program. The Town acts as the Parish's agent for issuing food stamps on the Isle. Under the terms of the agreement, the Town is reimbursed for 1/3 of its expenses. During my testwork, I noted that the Town had failed to file reimbursement requests with the parish for the period from September 1996 to January 1997.

RESPONSE:

This was an oversight of the previous administration. The current Treasurer is aware of the required filings and has brought us up to date.

2. FINDING

As noted in the previous year, the Solid Waste Rules and Regulations and the Louisiana Environmental Quality Act (LEQ 30:2824a) appear to have been violated by the Town in regards to its operation of the local transfer station (i.e., dump-site). While no new violations have been noted, the Louisiana Department of Environmental Quality (DEQ) has issued civil penalties in relation to the past violations it noted.

RESPONSE:

The current administration is aware of the rules and regulations and is doing everything in its power to comply. No new violations have occurred and verbal agreements have been reached with the DEQ on closing the dump-site in accordance with State law.