

The Honorable Tyson Doyle, Jr. Mayor
and Members of the Board of Aldermen
Town of Glenmora, Louisiana
August 25, 1999

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

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

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

This report is intended for the information of the Town of Glenmora's management and the Board of Aldermen. This committee is not intended to limit the distribution of this report, which is a matter of public record.


KENNETH C. MASON

KNIGHT MADDEN

Certified Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

Coan I. Knight, Jr., CPA

K. Martin Madden, CPA

August 25, 1997

Associate:

John E. Tharion II, CPA

Melanie L. Server, CPA

**Independent Auditor's Report on Compliance With Laws
and Regulations Based on an Audit of the General
Purpose Combining, Individual Fund, and Account
Group Financial Statements Performed in
Accordance With Government Auditing Standards**

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

We have audited the general purpose financial statements and the combining, individual fund and account group financial statements of the Town of Glenmora, Louisiana, for the year ended June 30, 1997, and have issued our report thereon dated August 25, 1997.

We conducted our 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, *Audit of State and Local Governments*. These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

However, the following immaterial instances of noncompliance were noted.

The following was reported on in our prior year's report.

Budgets

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

The Honorable Tyson Dwyer, Jr. Mayor
and Members of the Board of Aldermen
Town of Clomont, Louisiana
August 23, 1997

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be 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 specific internal control structure elements does not reduce to a relatively low level the risk that errors and 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. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended by the information of management and the Board of Aldermen of the Town of Clomont, Louisiana. However, this report is a matter of public record and its distribution is not limited.



ROBERT C. MASON

KNIGHT MAsDEN

Certified Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

Coast I. Knight, Jr., CPA
K. Maria Masden, CPA

August 25, 1997

Associates:
John E. Tharion II, CPA
Melanie L. Sarver, CPA

**Independent Auditors' Report on Internal Control
Structure Based on an Audit of Basic Financial
Statements Performed in Accordance With
Government Auditing Standards**

The Honorable Tynone L. Doyle, Mayor
and Members of the Board of Aldermen
Town of Gramercy, Louisiana

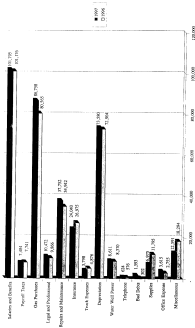
We have audited for general purpose financial statements and the combining, individual fund and account group financial statements of the Town of Gramercy, Louisiana, as of and for the year ended June 30, 1997, and have issued our report therein dated August 25, 1997.

We conducted our 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-133, "Audit of State and Local Governments". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Gramercy, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of 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 our audit of the financial statements of the Town of Gramercy, Louisiana, for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Town of Greensboro, Louisiana
 Enterprise Funds
 Comparative Statements of Expenses
 Years Ended June 30, 1997 and 1996



Town of Glencora, Louisiana
Notes to the Financial Statements
 June 30, 1997

Note 11 - Changes in Long-Term Debt, Continued

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

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

Note 12 - Segment Information for Enterprise Fund

	Natural Gas System	Water and Sewer	Total
Operating Revenue	\$ 228,523	\$ 201,807	\$ 430,330
Depreciation	25,608	47,842	73,450
Operating income	49,290	16,412	65,702
Non-operating revenues and expenses			
Interest income	7,524	4,116	11,640
Interest expense	42,623	29,595	72,218
Operating transfers out	15,000	15,000	30,000
Net income (loss)	(9,793)	(28,065)	(37,858)
Accounts receivable	19,648	32,325	51,973
Allowance for doubtful accounts	7,543	9,145	16,688
Increase (decrease) in cash and cash equivalents	(7,048)	6,420	(628)
Total assets	1,826,603	1,658,941	3,485,544
Funds and other long-term liabilities			
Payable from operating revenues	736,206	371,165	1,107,371
Total equity	340,112	1,011,623	1,351,735

Town of Glenview, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 11 - Changes in Long-Term Debt, Continued

Capitalized Lease Obligations:

\$22,600 issued December, 1994 - Due in monthly installments of \$511, including interest at 6% (Secured by Sales Tax Incentive) \$ 3,128

\$26,312 issued September, 1996 - Due in monthly installments of \$633.67, including interest at 8.75% (Secured by 1996 Crown Victoria) \$ 18,989
\$ 22,328

Revenue Bonds:

\$850,000, 1977 Water and Sewer Bonds - Due in various installments, including interest at 5%. (This issue is secured by revenues from the system.) \$ 546,308

\$1,118,000 New Gas System Bonds - due in annual installments of \$74,514 through 2018, including interest at 5%. (This issue is secured by revenues from the system.) 736,080

\$1,282,388

Note Payable:

\$58,500 dated April 12, 1983, restructured delinquent interest and principal payments to PHA on Water & Sewer Bonds, due in annual installments of \$2,600, including interest at 9% \$ 26,388

\$60,000 issued June, 1986 - Due in semi-annual installments of \$2,580, including interest at 5.1% (Secured by 94.98 acres of land) \$ 26,266

\$ 52,654

The annual requirements to amortize all debt outstanding as of June 30, 1997, including interest payments of \$607,073 are as follows:

Year Ending June 30	General Obligations Bonds	Capitalized Lease Obligation	Revenue Bonds	Note Payable	Total
1998	1,200	13,519	125,328	7,780	148,828
1999	7,800	18,804	125,154	7,780	149,548
2000	6,800	1,607	124,828	7,780	141,015
2001	6,600	-	124,654	7,780	139,034
2002	6,400	-	124,479	7,780	138,659
2003-2007	28,800	-	821,180	32,514	882,494
2008-2012	24,800	-	547,708	10,856	583,364
2013-2017	4,200	-	55,379	-	59,579
2018-2019	-	-	1,692	-	1,692
	<u>\$ 81,200</u>	<u>\$ 23,380</u>	<u>\$1,821,344</u>	<u>\$ 62,220</u>	<u>\$2,091,224</u>

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 10 - Pension Plans

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

The System also provides retirement, death and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The Municipal Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Municipal Employees Retirement System, 7910 Office Park Blvd., Baton Rouge, LA. 70809 or by calling (225)892-6822.

Covered employees are required by state statute to contribute 4 percent of their salary to the plan. The Town is required by the same statute to contribute 3.75 percent. In addition, contributions to the System include 1% of one percent of the taxes shown to be collected by the sheriff of each respective parish, except Orleans Parish. The Town's contributions to the system for the years ended June 30, 1997, 1996 and 1995 were \$4,136, \$5,588 and \$4,548, respectively, equal to the required contributions for each year.

Note 11 - Changes in Long-Term Debt

The following is a summary of debt transactions of the Town for the year ended June 30, 1997:

	General Obligation Debt	Capitalized Lease Obligation	Revenue Debt	Misc Payable
Debt payable, beginning of year	\$ 66,000	\$ 8,175	\$ 1,308,828	\$ 21,515
New debt issued	-	28,512	-	40,830
Debt retired	(2,000)	(13,278)	(6,510)	(4,832)
Debt payable, end of year	<u>\$ 64,000</u>	<u>\$ 23,409</u>	<u>\$ 1,302,318</u>	<u>\$ 57,513</u>

Out of the total revenue bonds payable at June 30, 1997, \$39,518 is classified as liabilities payable from restricted assets in the combined balance sheet.

Debt as of June 30, 1997, is comprised of the following individual items:

General Obligation Debt:

\$112,000 issued January 1, 1993, Public Improvement Bonds due in annual installments of \$4,000 from 1999 through 2012, plus interest at 5%.
 (This issue secured by levy and collection of all various taxes.)

\$ 64,000

Town of Clermont, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 9 - Fixed Assets, Continued

Proprietary Fund Type - Biologicis

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

	Balance July 1, 1996	Additions	Deductions	Balance June 30, 1997
Gas Utility				
Distribution system	\$1,832,914	\$ -	\$ -	\$1,832,914
Gas lines	158,408	-	-	158,408
Meters and regulators	4,717	-	-	4,717
Equipment	9,152	2,580	-	11,732
Total Gas Utility	1,215,500	2,580	-	1,218,080
Less: Accumulated depreciation	(288,114)	(25,828)	-	(313,942)
Net Gas Utility	927,386	(23,248)	-	904,138
Water Utility				
Distribution system	243,427	-	-	243,427
Water mains	158,878	3,888	-	162,766
Water tank	154,608	-	-	154,608
Fire hydrants	3,449	-	-	3,449
Meters	3,889	-	-	3,889
Total Water Utility	569,151	3,888	-	573,039
Sewer System				
Sewer	1,738,079	-	-	1,738,079
Collection pond	4,418	-	-	4,418
Equipment	46,788	2,380	-	49,168
Total Sewer System	1,779,285	2,380	-	1,781,665
Total Water and Sewer Systems	2,348,526	6,168	-	2,354,694
Less: Accumulated depreciation	(834,886)	(187,982)	-	(1,022,868)
Net Water and Sewer Systems	1,513,640	(181,714)	-	1,331,926
Total Proprietary Fund Type	\$1,245,989	\$ (60,132)	\$ -	\$1,185,857

Town of Glenshire, Louisiana
Notes to the Financial Statements
June 30, 1997

Note II - Restricted Assets

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

	<u>1997</u>		<u>1996</u>	
	Natural Gas System	Water and Sewer	Natural Gas System	Water and Sewer
Revenue bond sinking fund account	\$ 68,471	\$ 39,618	\$ 67,435	\$ 37,789
Revenue bond reserve fund account	79,828	11,194	64,020	67,803
Depreciation and contingency fund account	59,884	12,517	50,610	18,593
Customers' deposits	<u>18,824</u>	<u>684</u>	<u>20,080</u>	<u>6,484</u>
	<u>\$226,977</u>	<u>\$64,013</u>	<u>\$202,145</u>	<u>\$122,679</u>

Note III - Fixed Assets

General Fixed Assets

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

	Balance July 1, <u>1996</u>	Additions	Deductions	Balance June 30, <u>1997</u>
Land	\$ 128,975	\$ -	\$ -	\$ 128,975
Buildings	144,896	-	-	144,896
Equipment	92,163	2,108	-	94,271
Automobiles, trucks and tractors	<u>217,492</u>	<u>16,192</u>	<u>28,823</u>	<u>204,861</u>
	<u>\$ 583,526</u>	<u>\$ 18,292</u>	<u>\$ 28,823</u>	<u>\$ 672,995</u>

Town of Gramma, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 6 - Due to/from Other Funds

Receivable Fund	Payable Funds	Amount
General Fund	Gas Fund	\$ 20,628
General Fund	Water and Sewer Fund	29,973
General Fund	Economic Development	238
Payroll Fund	General Fund	1,050
Payroll Fund	Utility Fund	1,279
Gas Fund	Payroll Fund	422
		<u>\$ 61,908</u>

Note 7 - Notes Receivable

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

Notes Receivable are as follows:

Gramma Pharmacy	
Original amount \$48,000, 120 payments of \$150 per month including interest at 7.25%	\$ 20,875
Gramma Tailor Shop	
Original amount \$73,000, 180 payments of \$657 per month including interest at 7%	\$ 64,583
Beagle Charms and Ties Service	
Original amount \$50,000, 96 payments of \$488.68 per month including interest at 7%	20,408
The Lighthouse	
Original amount \$30,000, 120 payments of \$348.30 per month including interest at 7%	24,261
	108,532
Less allowance for doubtful accounts	(46,624)
	<u>\$ 126,169</u>

Gramma Pharmacy ceased operations in April, 1995 and declared Chapter 7 bankruptcy in August, 1995. Based on information from the Town's attorney the expected loss should not exceed the \$21,000 allowance for doubtful accounts.

Town of Olmette, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 3 - Cash and Cash Equivalents, Continued

These deposits are stated at cost, which approximates market. Under state law, these deposits (on the settling bank interest) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The securities are held in the name of the pledging fiscal agent bank in a holding or controlled bank. Cash and cash equivalents (bank balances) at June 30, 1997, are presented as follows:

Bank balances	<u>\$ 154,720</u>
Federal deposit insurance	\$ 308,800
Pledged securities (unaffiliated)	<u>154,720</u>
Total	<u>\$ 618,240</u>

Even though the pledged securities are considered unaffiliated under the provisions of GASB Statement 3, Louisiana Revised Statute 50:1239 imposes a statutory requirement on the controlled bank to advise and with the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

Note 4 - Ad Valorem Taxes

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

For the year ended June 30, 1995, taxes of 5.21 mills were levied on property with assessed valuations totaling \$2,882,156 and were dedicated to general corporate purposes.

Ad valorem taxes receivable at June 30, 1997 were \$1,680.

Note 5 - Accounts Receivable - Utility Systems

Accounts receivable are comprised of the following:

	Water Gas System	Water and Sewer System	Total
Billed services	\$ 15,796	\$ 21,115	\$ 40,901
Unbilled services	<u>5,882</u>	<u>8,808</u>	<u>15,490</u>
	19,678	31,743	55,791
Less allowance for doubtful accounts	<u>(7,542)</u>	<u>(9,150)</u>	<u>(16,692)</u>
	<u>\$ 12,136</u>	<u>\$ 22,593</u>	<u>\$ 34,729</u>

Town of Glumona, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 1 - Summary of Significant Accounting Policies, Continued

L. Bad Debt

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

M. Retained Earnings Reserved for Debt Service

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

N. Retained Earnings Reserved for Economic Development

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

Note 2 - Deficit Retained Earnings

The Water and Sewer Fund (an enterprise fund) has a deficit retained earnings balance of \$478,118. However, contributions by the municipality and federal grants have created a total fund equity balance of \$1,611,623.

Note 3 - Cash and Cash Equivalents

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

As June 30, 1997, the Town has cash and cash equivalents totaling \$354,387 as follows:

Demand deposits	\$ 354,087
Certificates of Deposit	—292,280
	<u>\$ 354,387</u>

Town of Glenora, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 1 - Summary of Significant Accounting Policies, Continued

Utility Production and Distribution Systems	25-30 years
Equipment-10 years	3-10 years
Vehicles-3-5 years	1-5 years

H. Compensated Absence

An employee may earn up to 18 days vacation depending on type and length of service. Employees paid on an hourly basis may earn up to five days of sick leave per year. All other employees take sick leave on an accrual basis; however, they do not accrue any sick leave. All vacation and sick leave accrues on a calendar year basis with all unused sick leave being paid to the hourly basis employees in December. The Town's liability for accumulated unpaid vacation and sick leave, all fund types, was considered to be immaterial and, therefore, excluded from the financial statements.

I. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions are reported as transfers. Nonrecording of non-cash or permanent transfers of equity are reported as residual equity transfers. All other transfers are reported as operating transfers.

J. Total Columns on Condensed Statements - Overview

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

K. Comparative Data

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

Town of Glenora, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 2 - Summary of Significant Accounting Policies, Continued

6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General Fund, Special Revenue Fund and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Mayor and Board of Aldermen. Such amendments were not material in relation to the original appropriations.
8. Special Revenue Fund budgets for federal funds projects lasting more than one year are established as the class grant applications are submitted.

E. Cash and Cash Equivalents

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

F. Due To/From Other Funds

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

G. Fixed Assets and Long-Term Liabilities

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

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

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

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

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 1 - Summary of Significant Accounting Policies, Continued

C. Basis of Accounting

All governmental funds and the agency fund are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes are recorded as revenue when levied. Penalties, fees and bonds, sales taxes, franchise taxes and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Intergovernmental revenue and interest income are accrued when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fiscal liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

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

The Town reports deferred revenue on its combined balance sheet. Deferred revenues arise when resources are received by the Town before it has a legal claim to them, or when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Town has a legal claim to the resources, the liability for deferred revenue is incurred from the combined balance sheet and revenue is recognized.

D. Budgetary Accounting

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

1. The Town Clerk prepares a proposed budget and submits it to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, the date of a public hearing is published.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department program or function to another or involving increases in expenditures resulting from revenue exceeding amounts estimated require the approval of the Board of Aldermen through an amended budget submitted by the Town Clerk. Monthly the Board of Aldermen compares actual year-to-date revenues and expenditures to the current year budget, and they make necessary amendments to the budget. The Town Clerk is responsible for advising the Board of Aldermen when total revenues and/or expenditures are projected to have a variance in excess of what is allowed by Louisiana Revised Statute.

Town of Glenora, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

B. Fund Accounting

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

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

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

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

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

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

Town of Glenora, Louisiana
Proprietary Funds
Comparative Statement of Cash Flows - Proprietary Fund Type
Years Ended June 30, 1997 and 1996

	<u>Totals</u>	
	<u>1997</u>	<u>1996</u>
Cash Flows from Operating Activities		
Operating income	\$ 50,792	\$ 81,346
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	15,588	72,884
(Increase) decrease in accounts receivable	7,617	(12,118)
Increase (decrease) in accounts payable	(7,864)	8,326
Decrease in accrued liabilities	(28)	(89)
Increase (decrease) in due to other funds	21,973	(28,688)
Increase in customer' deposits	798	618
Net Cash Provided by Operating Activities	<u>86,726</u>	<u>130,889</u>
Cash Flows from Non-capital Financing Activities		
Operating transfers out	(21,000)	(67,000)
Cash Flows from Capital & Related Financing Activities		
Acquisition of fixed assets	(80,464)	(3,725)
State Grant	-	25,000
Principal paid on revenue bonds and note payable	(28,200)	(29,140)
Interest paid on revenue bonds and note payable	(69,811)	(65,917)
Net Cash Used by Capital & Related Financing Activities	<u>(178,475)</u>	<u>(135,882)</u>
Cash Flows from Investing Activities		
Interest on investments	(1,622)	(1,811)
Net Increase (decrease) in cash and cash equivalents	4,729	(21,891)
Cash and cash equivalents, beginning of year	378,348	399,239
Cash and cash equivalents, end of year	<u>\$ 383,077</u>	<u>\$ 377,348</u>

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

Town of Okeana, Louisiana
Proprietary Funds
Comparative Statement of Revenues, Expenses, and Changes
in Retained Earnings (Deficit) - Proprietary Fund Type
Years Ended June 30, 1997 and 1998

	Totals	
	1997	1998
Operating Revenues		
Charges for services	\$ 218,858	\$ 258,551
Gas charges	150,997	138,847
Water charges	61,480	62,678
Sewer charges	16,890	17,175
Other charges	3,243	3,350
Miscellaneous	430,300	460,480
Total Operating Revenues	<u>871,768</u>	<u>938,081</u>
Operating Expenses	891,785	101,076
Salaries and benefits	7,484	7,741
Payroll taxes	80,738	80,366
Gas purchases	20,472	9,888
Legal and professional	37,163	34,982
Repairs and maintenance	24,048	26,875
Insurance	3,788	4,876
Truck expenses	33,580	31,804
Depreciation	8,811	8,319
Water well pump	624	576
Telephones	1,590	582
Bad debts	4,075	11,282
Supplies	3,809	3,734
Office expense	12,281	26,256
Miscellaneous	275,889	281,137
Total Operating Expenses	<u>891,785</u>	<u>837,000</u>
Operating Income	<u>(20,017)</u>	<u>101,076</u>
Non-operating Revenues (Expenses)	11,622	33,911
Interest income	-	25,000
State grant	11,622	8,911
Interest expense	(11,622)	(8,911)
Total Non-operating Revenues (Expenses)	<u>11,622</u>	<u>33,911</u>
Income Before Operating Transfers	<u>(8,395)</u>	<u>137,187</u>
Operating Transfers Out	<u>(21,800)</u>	<u>(62,000)</u>
Net Income (Loss)	<u>(30,195)</u>	<u>(24,813)</u>
Retained Earnings (Deficit), Beginning of Year	<u>(158,610)</u>	<u>(151,800)</u>
Retained Earnings (Deficit), End of Year	<u>\$ (188,805)</u>	<u>\$ (176,613)</u>

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

Town of Clarksburg, Louisiana
 Combined Statement of Revenues, Expenditures, and Changes
 in Fund Balances - Budget (GAAP) Actual and Variance -
 General Fund, Special Revenue Fund and Debt Service Funds
 For the Year Ended June 30, 2007

	General Fund		Special Revenue Fund		Debt Service Funds	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues						
Taxes	\$ 373,234	\$ 383,350	\$ -	\$ -	\$ -	\$ -
License and permits	21,790	30,397	-	-	-	-
Intergovernmental	1,207	11,512	-	-	-	-
Fees	45,364	65,930	-	-	-	-
Miscellaneous	150,704	150,704	-	-	-	-
Total Revenues	692,009	642,693	0.000	11,420	0.000	1,482
Expenditures						
Current						
General government	193,341	194,118	11,400	10,108	4,250	-
Police safety	182,821	175,751	-	-	-	-
Streets	200,000	200,248	-	-	-	-
Sanitation	84,112	42,810	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt Service	14,626	15,657	-	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Ball charges	-	-	-	-	-	-
Total Expenditures	575,899	578,629	11,400	10,108	4,250	4,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	116,110	64,864	1,600	1,312	1,750	1,182
Operating transfers in	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Operating Transfers In	116,110	64,864	1,600	1,312	1,750	1,182
Beginning Fund Balances, Beginning of Year	1,114,294	1,114,294	1,114,294	1,114,294	1,114,294	1,114,294
Plus (Minus) from Operations	116,110	64,864	1,600	1,312	1,750	1,182
Plus (Minus) from Other Sources	-	-	-	-	-	-
Less (Plus) for Other Uses	-	-	-	-	-	-
Ending Fund Balances, End of Year	1,230,404	1,179,158	1,115,894	1,115,606	1,116,044	1,115,476

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

Town of Gramercy, Louisiana
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - All Governmental Fund Types
Year Ended June 30, 1997
With Comparative Totals for the Year Ended June 30, 1996

	Governmental Fund Types			Totals (Millions of Dollars)	
	General	Special Revenue	Debt Service	1997	1996
Revenues					
Taxes	\$ 282,200	\$ -	\$ -	\$ 282,200	\$ 281,236
License and permits	30,287	-	-	30,287	29,727
Intra-governmental	31,813	-	-	31,813	30,822
Inter-governmental - grant	-	-	-	-	186,231
Fines	45,108	-	-	45,108	38,043
Miscellaneous	130,794	-	-	130,794	-
Miscellaneous	31,888	11,250	1,449	44,587	18,202
Total Revenues	<u>582,773</u>	<u>11,250</u>	<u>1,449</u>	<u>595,772</u>	<u>584,001</u>
Expenditures					
Current					
General government	188,118	18,200	-	206,318	220,882
Public safety	176,761	-	-	176,761	186,629
Streets	200,248	-	-	200,248	133,317
Sanitation	42,818	-	-	42,818	39,135
Urban redevelopment and housing	-	-	-	-	156,250
Debt service					
Principal retirement	13,827	-	2,000	17,827	7,158
Interest	-	-	2,200	2,200	4,084
Bank charges	-	-	-	-	30
Total Expenditures	<u>576,755</u>	<u>18,200</u>	<u>4,200</u>	<u>599,428</u>	<u>713,042</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	5,018	1,250	(2,751)	3,517	(129,041)
Other Financing Sources					
Operating transfers in	21,800	-	-	21,800	62,008
Excess (Deficiency) of Revenues					
and Other Financing Sources					
Over (Under) Expenditures	30,979	1,250	(2,751)	31,348	(67,033)
Fund Balances, Beginning of Year	<u>88,123</u>	<u>181,200</u>	<u>38,291</u>	<u>307,614</u>	<u>271,220</u>
Fund Balances, End of Year	<u>\$ 119,102</u>	<u>\$ 182,450</u>	<u>\$ 35,540</u>	<u>\$ 337,112</u>	<u>\$ 309,387</u>

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

Town of Glenmora, Louisiana
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1987

	Governmental Fund Type		Proprietary Fund Type		Fiduciary Fund Type		Account Groups			Totals
	General	Special Revenue	Debt Service	Enterprise	Agency	Fund	General		Total	
							Fixed Assets	Long-Term Debt		
Assets and Other Debits										
Cash and cash equivalents	\$ 76,128	\$ 68,118	\$ 32,400	\$ 44,685	\$ 1,416	\$ -	\$ -	\$ -	\$ 204,273	\$ 219,000
Receivables (Net of allowances for doubtful accounts)	1,631	-	-	-	-	-	-	-	1,631	1,631
Accounts receivable	-	-	-	48,515	-	-	-	-	48,515	48,515
Accounts loaned	-	432	76	108	-	-	-	-	1,056	1,056
Stocks	-	114,428	-	-	-	-	-	-	114,428	114,428
Due from other funds	58,560	-	-	432	1,639	-	-	-	61,031	61,031
Encumbered assets - cash and cash equivalents	-	-	-	103,000	-	-	-	-	103,000	103,158
Fund assets (Net of encumbered depreciation)	-	-	-	1,281,797	-	614,191	-	-	2,096,988	2,070,443
Accounts available in Debt - Service Funds	-	-	-	-	-	-	-	32,764	32,764	36,258
Accounts to be provided by customers of general long-term debt	-	-	-	-	-	-	-	99,811	99,811	79,811
Total Assets	\$ 136,419	\$ 182,546	\$ 32,400	\$ 1,771,226	\$ 3,028	\$ 614,191	\$ 172,473	\$ 2,000,653	\$ 2,947,259	

Towns of Orleans, Louisiana
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1997

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types		Account Groups			Totals	
	General	Special Revenue	Debt Service	Enterprise	Agency	Trust	Agency	General	Fund	Asset	Liabilities	
											Debt	Monetization Debt
Liabilities, Equity and Other Credits												
Liabilities	\$ 16,000	\$ 200	\$ -	\$ 1,550	\$ -	\$ 4,026	\$ -	\$ -	\$ -	\$ 21,775	\$ 20,874	\$ 2,941
Accounts payable	-	-	-	-	-	-	-	-	-	-	171,771	171,771
Other accrued expenses	-	-	-	-	-	-	-	-	-	-	61,806	61,806
Liabilities payable from restricted assets	-	-	-	-	-	-	-	-	-	-	28,812	28,812
Due to other funds	1,861	258	-	171,571	421	-	-	-	-	1,297,242	1,299,806	
Books payable	-	-	-	-	-	-	-	-	64,008	-	-	-
Notes payable and capitalized leases	-	-	-	24,608	-	-	-	-	28,523	84,873	71,262	13,611
Total Liabilities	17,861	458	-	1,621,561	1,088	4,026	-	-	172,523	1,928,511	1,628,850	2,941
Fund Equity and Other Credits												
Contributed capital	-	-	-	1,941,212	-	-	-	604,191	-	1,941,212	1,941,212	1,941,212
Reversions to general fund assets	-	-	-	-	-	-	-	-	-	814,198	624,819	624,819
Residual Earnings (Deficit)	-	-	-	-	-	-	-	-	-	129,379	129,658	129,658
Reserves for debt service (Unreserved)	-	-	-	(600,947)	-	-	-	-	-	(600,947)	(781,209)	(781,209)
Fund Balances	-	-	-	-	-	-	-	-	-	-	-	-
Reserves for economic development	-	182,723	-	-	-	-	-	-	-	181,725	181,725	181,725
Reserves for debt service (Unreserved)	-	-	30,459	-	-	-	-	-	-	30,459	30,261	30,261
Unreserved-undeployed	119,224	-	-	-	-	-	-	-	-	1,024,218	88,273	88,273
Total Equity and Other Credits	119,224	182,723	30,459	1,284,829	-	-	-	604,191	172,523	2,201,962	2,201,800	2,201,800
Total Liabilities, Equity and Other Credits	\$ 39,085	\$ 1,641,181	\$ 30,459	\$ 2,906,390	\$ 1,088	\$ 4,026	\$ -	\$ 604,191	\$ 1,175,046	\$ 4,130,473	\$ 3,830,650	\$ 5,042,741

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

General Purpose Financial Statements
(Combined Statements - Overview)

The Honorable Tyrone L. Doyte, Mayor
and Members of the Board of Aldermen
Town of Gretna, Louisiana
August 25, 1997

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



ROBERT C. MASDEN

KNIGHT & MASDEN

Chartered Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

Clara I. Knight, Jr., CPA
E. Martin Masden, CPA

August 25, 1997

Associates:
John H. Theriot II, CPA
Melanie I. Server, CPA

Independent Auditors' Report

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

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Glenmora, Louisiana as of June 30, 1997 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Town of Glenmora's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments". These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Glenmora, Louisiana as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of Glenmora, Louisiana as of June 30, 1997 and the results of operations of each fund and cash flows of individual proprietary funds for the year then ended in conformity with generally accepted accounting standards. In addition, in our opinion, the individual fund financial statements as June 30, 1996 and for the year then ended, shown for comparative purposes, present fairly, in all material respects, the financial position of the individual funds of the Town of Glenmora, Louisiana as June 30, 1996 and the results of operations of each fund for the year then ended, in conformity with generally accepted accounting principles.

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Town of Glenora, Louisiana

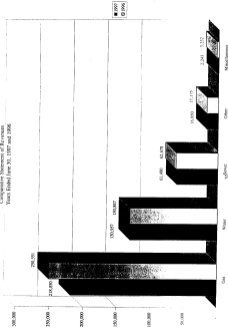
Annual Financial Report

June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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.

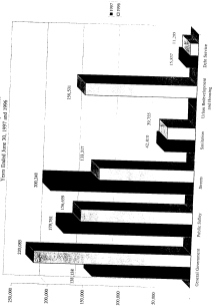
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Town of Clackson, Louisiana
 Enterprise Funds
 Comparative Statement of Revenues
 Years Ended June 30, 1997 and 1996

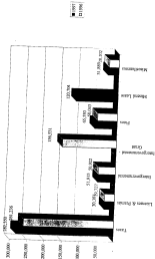


1997 • 1996 • Comparative amounts

Town of Gloucester, Louisiana
 Governmental Fund Types
 Comparative Statements of Expenditures
 Year Ended June 30, 1997 and 1996



Town of Glenham, Louisiana
 Comparative Financial Types
 Comparative Statement of Revenues
 Years Ended June 30, 1997 and 1996



Town of Clamorra, Louisiana
 Schedule of Compensation - Mayor and Aldermen
 June 30, 1997

<u>Name</u>	<u>Title</u>	<u>Compensation</u>	<u>Expense Allowance</u>
Tyone L. Doyle	Mayor	\$ 4,000	\$ 3,000
Charles M. Bubb	Alderman	3,000	-
Bonnie D. McCroop	Alderman	3,000	-
C. J. Myers	Alderman	3,000	-
Gregory B. Odum	Alderman	3,000	-
Janey Farrell	Alderman	3,000	-
		<u>\$ 21,000</u>	<u>\$ 3,000</u>

Supplemental Information

Town of Glenmora, Louisiana
Combining Statements of General Long-Term Debt
Year Ended June 30, 2000
With Comparative Totals for Year Ended June 30, 1999

	General Fund	Economic Development	Town of Glenmora	Sewerage District No. 1	Total	
					1999	2000
Amount Available and to be Provided						
For the Maturities of General Long-Term Debt						
Amount available in debt service funds for debt retirement						
	\$ -	\$ -	\$ 14,788	\$ 16,038	\$ 32,764	\$ 36,554
Amount to be provided						
General fund revenues	22,289	-	-	-	22,289	9,175
Ad valorem taxes	-	-	15,283	15,874	31,236	39,946
Economic Development fund revenues	\$ -	38,388	-	-	38,388	40,880
Total Available and to be Provided	\$ 22,289	\$ 38,388	\$ 31,000	\$ 32,000	\$ 123,313	\$ 119,175
General Long-Term Debt Payable						
State note	\$ -	\$ 35,368	\$ -	\$ -	\$ 35,368	\$ 48,000
Bonds payable	-	-	32,000	32,000	64,000	64,000
Capitalized lease obligations	21,309	-	-	-	21,309	5,175
Total Payable	\$ 21,309	\$ 35,368	\$ 32,000	\$ 32,000	\$ 122,737	\$ 117,175

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

**GENERAL LONG-TERM
DEBT ACCOUNT GROUP**

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

Town of Glenmoss, Louisiana
 Comparative Schedule of General Fixed Assets - By Sources
 June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
General Fixed Assets:		
Land	\$ 139,979	\$ 139,979
Buildings	144,996	141,996
Equipment	94,350	92,183
Automobiles, trucks and tractors	<u>204,860</u>	<u>217,489</u>
Total General Fixed Assets	<u>\$ 584,085</u>	<u>\$ 591,647</u>
Investment in General Fixed Assets From:		
Property acquired prior to 7/01/77*	\$ 58,254	\$ 58,254
Property acquired after 7/01/77		
General fund revenues	191,808	201,446
Economic development fund revenues	155,999	135,999
Federal Revenue Sharing revenues	198,005	198,005
Intergovernmental	<u>11,325</u>	<u>11,325</u>
Total Investment in General Fixed Assets	<u>\$ 614,391</u>	<u>\$ 604,029</u>

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

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

**GENERAL FIXED ASSETS
ACCOUNT GROUP**

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

Town of Clomont, Louisiana
Agency Fund - Payroll Fund
Comparative Balance Sheet
June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Assets		
Cash	\$ 1,419	\$ 9,091
State Government Receivable	<u>2,658</u>	<u> </u>
	\$ 3,058	\$ 9,091
Liabilities		
Accrued and withheld payroll taxes and retirement	\$ 4,856	\$ 9,091
State Government Payable	<u>412</u>	<u> </u>
	\$ 3,058	\$ 9,091

Statement of Changes in Assets and Liabilities
Year Ended June 30, 1997

	<u>Balance</u> <u>July 1,</u> <u>1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30,</u> <u>1997</u>
Assets				
Cash	\$ 9,091	\$ 312,957	\$ 312,980	\$ 3,058
Liabilities				
Accrued and withheld payroll taxes, retirement and insurance	\$ 9,091	\$ 96,508	\$ 96,519	\$ 3,058

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

AGENCY FUND

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

Town of Chatham, Louisiana
 Enterprise Fund
 Schedule of Cash Receipts and Disbursements -
 Nonfund Assets Required by Revenue Bond Debtors
 Year Ended June 30, 1997

	Furnace Bond Sinking Fund		Revenue Bond Sinking Fund		Depreciation and Contingencies Fund		Total	
	Manual Gas System	Water and Sewer	Power Gas System	Water and Sewer	Waters Gas System	Water and Sewer	Manual Gas System	Water and Sewer
Cash and Cash Equivalents Beginning of Year	\$ 81,261	\$ 35,178	\$ 84,820	\$ 42,624	\$ 30,600	\$ 30,593	\$ 138,913	\$ 138,178
Cash Receipts								
Transfer from operating account	74,514		7,726	2,434	1,851	1,634	81,199	74,805
Interest earned on investments	2,020	1,174	1,521	1,613	1,262	294	6,036	1,311
Total Cash Receipts	76,534	31,222	8,247	3,447	3,113	1,728	87,388	80,531
Cash Disbursements								
Principal payments	34,118		-	-	-	-	34,118	22,080
Interest payments and other	48,269	31,500	-	-	-	-	80,389	77,289
Total Cash Disbursements	82,387	31,500	-	-	-	-	82,387	99,369
Cash and Cash Equivalents, End of Year	\$ 68,874	\$ 23,678	\$ 76,820	\$ 31,281	\$ 27,487	\$ 22,312	\$ 134,894	\$ 120,118

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

Trove of Glenside, Louisiana
 Domestic Fund
 Combining Statements of Cash Flows
 Year Ended June 30, 1997

With Comparative Totals for Year Ended June 30, 1996

	Natural Gas System	Water and Sewer	Totals	
			1997	1996
Cash Flows from Operating Activities				
Operating income	\$ 48,290	\$ 30,412	\$ 78,702	\$ 83,346
Adjustments to reconcile net operating income to net cash provided by operating activities:				
Depreciation	25,628	43,842	73,558	72,664
(Increase) decrease in accounts receivable	8,483	3,254	7,447	(12,115)
Increase (decrease) in accounts payable	(5,692)	(2,899)	(7,854)	6,024
Increase in accrued liabilities	(125)	285	(30)	(98)
Increase (decrease) in due to other funds	14,356	17,577	31,933	(30,648)
Increase (decrease) in customers' deposits payable	799	-	799	812
Net Cash Provided by Operating Activities	81,443	75,165	156,608	130,880
Cash Flows from Non-capital Financing Activities				
Operating transfers in	(23,800)	(10,000)	(33,800)	(61,800)
Cash Flows from Capital & Related Financing Activities				
Acquisition of capital assets	(2,300)	(8,366)	(10,666)	(3,733)
Bond issue	-	-	-	25,680
Principal paid on revenue bonds and note payable	(24,181)	(24,328)	(48,509)	(58,348)
Interest paid on revenue bonds and note payable	(40,322)	(28,588)	(68,910)	(65,217)
Net Cash Used by Capital & Related Financing Activities	(66,803)	(60,282)	(127,085)	(101,608)
Cash Flows from Investing Activities				
Income on investments	7,324	6,114	13,438	21,511
Net Increase (decrease) in cash and cash equivalents	(2,807)	7,567	4,725	(22,081)
Cash and cash equivalents, beginning of year	125,832	144,516	270,348	292,528
Cash and cash equivalents, end of year	\$ 123,025	\$ 152,083	\$ 275,073	\$ 270,447

Town of Glenora, Louisiana

Enterprise Fund

**Combining Statement of Revenues, Expenses, and
Change in Retained Earnings (Deficit)
Year Ended June 30, 1997**

With Comparative Totals for Year Ended June 30, 1996

	Natural Gas System	Water and Sewer	Totals	
			1997	1996
Operating Revenues				
Charges for services				
Gas charges	\$ 218,850	\$ -	\$ 218,850	\$ 250,531
Water charges	-	180,907	180,907	180,847
Sewer charges	-	61,480	61,480	62,878
Other charges	8,478	8,372	16,850	17,175
Miscellaneous	1,102	1,008	2,110	2,237
Total Operating Revenues	228,430	251,767	480,197	493,668
Operating Expenses				
Salaries and benefits	43,000	58,184	101,184	101,176
Payroll taxes	3,288	4,284	7,572	7,341
Gas purchases	86,758	-	86,758	80,965
Legal and professional	5,238	5,276	10,514	9,866
Repairs and maintenance	4,706	33,046	37,752	34,842
Insurance	10,000	13,949	23,949	20,975
Truck expense	1,809	1,809	3,708	4,876
Depreciation	25,608	47,942	73,550	71,806
Water well power	-	8,871	8,871	8,779
Telephone	312	302	614	576
Bad debts	(93)	1,585	1,492	302
Supplies	2,759	4,235	7,015	11,765
Office expense	1,182	2,073	3,255	3,755
Miscellaneous	2,774	8,837	11,611	10,256
Total Operating Expenses	188,133	195,452	383,585	381,137
Operating Income	40,297	56,315	96,612	112,531
Non-operating Revenues (Expenses)				
Interest income	9,504	4,138	13,642	12,911
Interest expense	(40,577)	(28,588)	(69,165)	(65,917)
State Grant	-	-	-	22,000
Total Non-operating Revenues (Expenses)	(31,073)	(24,450)	(55,515)	(30,996)
Income Before Operating Transfer	9,224	(11,083)	(1,859)	81,534
Operating Transfer Out	(15,000)	(11,000)	(26,000)	(60,000)
Net Income (Loss)	(7,776)	(22,083)	(29,857)	21,534
Retained Earnings (Deficit), Beginning of Year	(255,438)	(402,350)	(657,788)	(621,550)
Retained Earnings (Deficit), End of Year	\$ (263,214)	\$ (424,433)	\$ (687,645)	\$ (599,016)

Town of Climmens, Louisiana
Enterprise Funds
Combining Balance Sheet
June 30, 1997

With Comparative Totals for Year Ended June 30, 1996

	Natural Gas Systems	Water and Sewer	Totals	
			1997	1996
Assets				
Current Assets				
Cash and cash equivalents	\$ 16,718	\$ 28,293	\$ 45,011	\$ 45,411
Reserve for (cost of retirement for doubtful accounts)				
Accounts	19,979	28,971	48,950	56,351
Accrued interest	158	408	566	993
Due from other funds	422	-	422	-
Total Current Assets	37,277	57,672	94,909	102,755
Restricted Assets				
Cash and cash equivalents				
Contingency, Reserve & Working Funds	398,483	173,129	571,612	566,342
Customers' deposits	18,874	288	19,162	20,494
Total Restricted Assets	417,357	173,417	590,774	586,836
Plant and Equipment				
Water and sewer fixed assets at cost, net of accumulated depreciation	-	1,468,948	1,468,948	1,878,726
Natural gas systems fixed assets, at cost, net of accumulated depreciation	813,845	-	813,845	837,188
Total Plant and Equipment	813,845	1,468,948	2,282,793	2,715,914
 Total Assets	 \$1,001,315	 \$1,699,941	 \$2,702,796	 \$2,773,389

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

Town of Clackers, Louisiana
Enterprise Funds
Comparing Balance Sheets (Continued)
June 30, 1997

With Comparative Totals for Year Ended June 30, 1996

	Natural Gas System	Water and Sewer	Totals	
			1997	1996
Liabilities and Fund Equity				
Current Liabilities				
Accounts payable	\$ 3,034	\$ 4,542	\$ 7,576	\$ 15,440
Due to other funds	38,628	51,594	90,192	38,848
Notes payable	-	1,000	1,000	1,000
Total Current Liabilities	<u>31,662</u>	<u>57,136</u>	<u>88,758</u>	<u>45,288</u>
Liabilities Payable from Restricted Assets				
Customers' deposits payable	30,708	15,296	46,004	33,654
Revenue bonds payable	35,768	20,794	56,519	55,900
Accrued interest	35,884	15,203	42,147	42,145
Total Liabilities Payable from Restricted Assets	<u>102,360</u>	<u>51,293</u>	<u>153,653</u>	<u>131,699</u>
Long-Term Liabilities				
Revenue bonds payable	700,441	322,911	1,023,352	1,280,686
Notes payable	-	24,499	24,499	36,192
Total Long-Term Liabilities	<u>700,441</u>	<u>347,410</u>	<u>1,047,851</u>	<u>1,316,878</u>
Total Liabilities	<u>834,463</u>	<u>698,839</u>	<u>1,532,309</u>	<u>1,693,775</u>
Fund Equity				
Contributions				
Municipality	4,321	112,000	116,321	116,321
Federal grants	301,148	1,327,741	1,628,889	1,628,888
Total Contributions	<u>305,469</u>	<u>1,439,741</u>	<u>1,745,210</u>	<u>1,745,210</u>
Retained Earnings (Deficit)				
Reserve for debt service	74,314	54,896	129,210	136,684
Unreserved	62,427	(428,819)	(366,392)	(385,389)
Total Retained Earnings (Deficit)	<u>136,741</u>	<u>(473,923)</u>	<u>(337,182)</u>	<u>(248,705)</u>
Total Fund Equity	<u>442,210</u>	<u>1,013,823</u>	<u>1,258,028</u>	<u>1,256,605</u>
Total Liabilities and Fund Equity	<u>\$1,057,153</u>	<u>\$1,658,441</u>	<u>\$2,790,336</u>	<u>\$2,773,380</u>

ENTERPRISE FUNDS

Natural Gas Fund - To account for the provision of natural gas services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing and collection.

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

Town of Cleburne, Louisiana
 Debt Service Fund - Sewerage District No 1
 Comparative Statements of Revenues, Expenditures, and
 Changes in Fund Balance - Budget (GAAP Basis) and Actual
 Year Ended June 30, 1997
 With Comparative Actual Amounts for Year Ended June 30, 1996

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
Revenues				
Miscellaneous				
Interest income	\$ 508	\$ 715	\$ 207	\$ 811
Expenditures				
Principal retirement	1,000	1,000	-	1,000
Interest	1,650	1,650	-	1,700
Bond charges	-	-	-	30
Total Expenditures	<u>2,650</u>	<u>2,650</u>	<u>-</u>	<u>2,730</u>
Deficiency of Revenues Over Expenditures	\$ (2,142)	(1,935)	\$ 207	(1,602)
Fund Balance,				
Beginning of Year		17,620		16,662
Fund Balance, End of Year		\$ 15,478		\$ 15,060

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

Town of Gloucester, Louisiana
Debt Service Fund - Town of Gloucester
Comparative Statements of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
Year Ended June 30, 1997
With Comparative Actual Amounts for Year Ended June 30, 1996

	1997		Variance Favorable Unfavorable	1996
	Budget	Actual		Actual
Revenues				
Miscellaneous				
Interest Income	\$ 500	\$ 734	\$ 234	\$ 500
Expenditures				
Principal retirement	1,000	1,000	-	1,000
Interest	1,600	2,600	-	1,700
Total Expenditures	<u>2,600</u>	<u>3,600</u>	<u>-</u>	<u>2,700</u>
Deficiency of Revenues Under Expenditures	\$ (2,100)	(1,900)	\$ 200	(1,700)
Fund Balance,				
Beginning of Year		18,481		20,215
Fund Balance, End of Year		\$ 16,581		\$ 18,515

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

Town of Glenmora, Louisiana
 Debt Service Funds
 Combining Statements of Revenues, Expenditures and
 Changes in Fund Balances
 Year Ended June 30, 1997
 With Comparative Totals for Year Ended June 30, 1996

	Town of Glenmora	Sewerage District No. 1	Totals	
			1997	1996
Revenues				
Miscellaneous				
Interest income	\$ 369	\$ 315	\$ 1,449	\$ 1,867
Expenditures				
Principal retirement	1,000	1,000	2,000	2,000
Interest	1,650	1,650	3,300	3,480
Bank charges				36
Total expenditures	<u>2,650</u>	<u>2,650</u>	<u>5,300</u>	<u>5,516</u>
Deficiency of Revenues Over Expenditures	(1,944)	(1,935)	(3,851)	(3,649)
Fund Balances,				
Beginning of Year	35,601	37,830	36,251	35,880
Fund Balances, End of Year	<u>\$ 33,657</u>	<u>\$ 35,895</u>	<u>\$ 32,400</u>	<u>\$ 32,231</u>

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

Town of Glenmora, Louisiana
Debt Service Fund
Combining Balance Sheet
June 30, 1997

With Comparative Totals for Year Ended June 30, 1996

	Town of Glenmora	Savoyage District No. 1	Total	
	1997	1996	1997	1996
Assets				
Cash and cash equivalents	\$ 14,627	\$ 15,876	\$ 30,503	\$ 30,259
Receivables				
Accrued interest	18	18	36	36
Total Assets	\$ 14,645	\$ 15,894	\$ 30,539	\$ 30,295
Fund Equity				
Fund Equity—Fund Balances				
Reserved for debt service	\$ 36,343	\$ 15,484	\$ 36,429	\$ 36,291

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

DEBT SERVICE FUNDS

To accumulate monies for payment of the Public Improvement General Obligation Bonds which are due in annual installments of \$1,000 from 1988 through 2011, plus interest at 5%.

Town of Gramora, Louisiana
Special Revenue Fund - Economic Development
Combined Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
Revenues				
Miscellaneous				
Interest income	\$ 19,000	\$ 11,500	\$ (7,500)	\$ 14,325
Expenditures				
General government	15,000	10,300	4,700	21,837
Deficiency of Revenues Over Expenditures	<u>\$ (3,400)</u>	1,200	<u>\$ (2,180)</u>	(7,500)
Fund Balance, Beginning of Year		181,500		189,000
Fund Balance, End of Year		<u>\$ 182,700</u>		<u>\$ 181,500</u>

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

Town of Claramore, Louisiana
 Special Revenue Fund - Economic Development
 Statement of Revenues, Expenditures
 and Change in Fund Balance
 For the Year Ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues		
Intergovernmental - grant	\$ -	\$ 156,511
Miscellaneous	<u>11,358</u>	<u>14,325</u>
Total Revenues	<u>11,358</u>	<u>170,836</u>
Expenditures		
General government		
Salaries	-	3,266
Payroll taxes	-	933
Legal and professional	33	3,234
Supplies	-	480
Repairs and maintenance	3,193	-
Capital expenditures	-	45,880
Insurance	79	1,375
Miscellaneous	4,458	13,634
Improvements	3,123	-
Interest	1,568	-
Urban Redevelopment and Planning		
Education	-	21,215
Administration	-	12,733
Rehabilitation	-	123,584
Total Expenditures	<u>10,338</u>	<u>238,265</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,020	(67,429)
Fund Balance, Beginning of Year	<u>281,200</u>	<u>348,629</u>
Fund Balance, End of Year	<u>\$ 282,220</u>	<u>\$ 281,200</u>

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

Town of Gramercy, Louisiana
 Special Revenue Funds
 Balance Sheet
 June 30, 1997 and 1996

	1997	1996
Assets		
Cash and cash equivalents	\$ 88,710	\$ 63,708
Notes receivable	114,430	175,000
Accrued interest	_____432	_____432
Total Assets	\$ 1,183,167	\$ 1,183,161
 Liabilities and Fund Equity		
Liabilities		
Accounts payable	\$ 289	\$ 1,474
Due to other funds	_____289	_____184
Total Liabilities	_____478	_____1,658
Fund Equity—Fund Balance		
Reserved for economic development	_____182,723	_____181,503
Total Liabilities and Fund Equity	\$ 1,183,167	\$ 1,183,161

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

SPECIAL REVENUE FUNDS

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

Town of Clarks, Louisiana
 General Fund
 Comparative Statement of Expenditures (Continued)
 Years Ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Salaries		
Salaries	\$ 48,961	\$ 43,239
Payroll taxes	3,677	3,236
Retirement	1,338	61
Maintenance and repairs	2,860	6,715
Asphalt, gravel and patch materials	61,993	19,413
Street lights	38,411	38,708
Small tools	4,186	1,730
Truck repairs	18,648	13,748
Telephone and utilities	627	3,299
Capital expenditures	-	31
Insurance and bonds	16,681	19,612
Medicare	2,018	3,889
Equipment rental	463	64
Miscellaneous	<u>18,898</u>	<u>30,815</u>
Total Salaries	<u>208,248</u>	<u>183,212</u>
Contractor		
Garbage pick-up	<u>42,810</u>	<u>39,315</u>
Debt Service		
Principal	15,494	9,735
Interest	<u>2,163</u>	<u>694</u>
Total Debt Service	<u>17,657</u>	<u>10,429</u>
Total Expenditures	<u>\$ 278,765</u>	<u>\$ 203,878</u>

Town of Clenner, Louisiana
 General Fund
 Comparative Statements of Expenditures
 Years Ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
General Government		
Salary - Mayor and Aldermen	\$ 21,800	\$ 20,628
Salary - Clerk and assistant	17,800	14,187
Payroll taxes	3,980	3,249
Business	-888	3,280
Mayor's expense	3,600	3,800
Books and subscriptions	847	656
Insurance and bonds	7,628	8,028
Supplies	5,387	8,808
Legal and professional	11,088	14,274
Telephone and utilities	13,566	11,897
Printing and advertising	1,993	1,280
Repairs and maintenance	4,711	1,395
Contract's expense	1,120	580
Tax roll	1,180	1,274
Capital expenditures	15,128	28,889
Fuels and misc-items	11,481	17,540
Miscellaneous	<u>28,413</u>	<u>18,287</u>
Total General Government	<u>138,138</u>	<u>148,251</u>
Public Safety		
Police		
Salaries	58,718	58,088
Payroll taxes	8,742	5,178
Rapides Parish Sheriff	-	588
Gas, oil and repairs	20,320	14,890
Legal and professional	3,892	3,280
Telephone	1,437	1,575
Inspecting officer	3,800	3,408
Insurance and bonds	31,587	24,213
Capital expenditures	2,880	3,274
Academy training	1,225	1,234
Miscellaneous	<u>8,239</u>	<u>6,811</u>
Total Police	<u>181,521</u>	<u>178,879</u>
Fire Protection		
Salaries	7,280	7,200
Payroll taxes and retirement	591	331
Volunteer fees	1,900	1,488
Telephone and utilities	1,516	1,280
Truck expense	31	1,234
Supplies	-	1,825
Repairs and maintenance	-	8
Insurance and bonds	5,586	8,175
Fire response	-	-
911 System	-	8,880
Miscellaneous	<u>1,653</u>	<u>1,282</u>
Total Fire Protection	<u>18,057</u>	<u>38,893</u>
Total Public Safety	<u>199,578</u>	<u>217,772</u>

Town of Clermont, Louisiana
 General Fund
 Comparative Statements of Revenues, Expenditures, and
 Changes in Fund Balance - Budget (GAAP Basis) and Actual
 Year Ended June 30, 1997
 With Comparative Actual Amounts for Year Ended June 30, 1996

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
Revenues				
Taxes				
Ad valorem	\$ 12,280	\$ 11,500	\$ (780)	\$ 11,214
Sales taxes	363,680	354,505	(9,175)	373,645
Franchise	37,289	36,485	(804)	34,867
Licenses and permits				
Occupational license	37,750	30,587	2,637	29,717
Intergovernmental				
Tobacco taxes	83,820	8,771	(1,794)	8,771
Fire taxes	2,752	3,870	1,118	3,899
Other	40,000	39,372	(728)	38,162
Fees and bonds	65,564	65,506	(58)	66,843
Mineral Lease	120,704	120,704	-	-
Miscellaneous	30,000	31,888	1,888	13,830
Total Revenues	800,959	882,772	(17,794)	811,938
Expenditures				
Current				
General government	180,241	188,158	(7,797)	148,233
Public safety	173,871	170,761	(3,940)	156,699
Streets	200,800	200,248	5,750	153,577
Sanitation	38,112	42,810	(4,698)	38,700
Debt service	14,620	17,837	(1,217)	9,079
Total Expenditures	528,364	526,756	(16,608)	483,821
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	87,865	9,579	(81,688)	(71,883)
Other Financing Sources				
Operating transfers in - Gas and utility funds	25,800	25,800	-	62,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures				
	\$ 92,665	\$ 35,379	\$ (81,688)	\$ (9,883)
Fund Balance, Beginning of Year				
		88,525		
Fund Balance, End of Year				
		\$ 118,594		

Town of Glenora, Louisiana
 General Fund
 Comparative Balance Sheet
 June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Assets		
Cash and cash equivalents	\$ 76,159	\$ 70,268
Receivables		
Taxes	3,431	1,233
Due from other funds	<u>58,843</u>	<u>29,812</u>
Total Assets	<u>\$ 136,633</u>	<u>\$ 101,633</u>
Liabilities and Fund Equity		
Liabilities		
Accounts payable	\$ 16,077	\$ 17,858
Due to other funds	3,081	-
Fund Equity - Fund Balance		
Unreserved-Unassigned	<u>118,554</u>	<u>83,775</u>
Total Liabilities and Fund Equity	<u>\$ 136,633</u>	<u>\$ 101,633</u>

GENERAL FUND

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

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

Town of Glenmora, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 13 - Garbage Disposal Contract

On July 27, 1996, the Town contracted for garbage disposal for a period of three years with monthly payments of \$3,198.

Note 14 - Concentrations of Credit Risk

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

Note 15 - Pending Litigation

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

Note 16 - Risk Management

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

Note 17 - Capital Lease

On August 1, 1995, the Town entered a lease agreement for a 1995 police car for a period of three years with monthly payments of \$834.

Note 18 - Mineral Lease

On October 8, 1996, Chesapeake Operating, Inc. entered into a lease agreement with the Town for mineral rights on approximately 107.87 acres of land for a period of three years. The payment for these rights is \$200,124.40 for the first year of the lease and annual rental of not less than 5% of the total cash payment or \$80,177.50 whichever is greater. Royalties will be paid in the amount of 25% of all oil, gas, and other liquid or gaseous liquids produced, saved, or withheld, but not less than 10%.