

COOK & MOSEBART

Certified Public Accountants

100 BROADWAY, LITTLE ROCK, ARKANSAS 72201 • 501-656-1000 • 1000 NORTH WASHINGTON, LITTLE ROCK, ARKANSAS 72201

OFFICE OF LEGISLATIVE AUDIT

LEGISLATIVE AUDIT DIVISION

STATE OF ARKANSAS

LITTLE ROCK, ARKANSAS

OFFICE OF LEGISLATIVE AUDIT
1000 NORTH WASHINGTON
LITTLE ROCK, ARKANSAS 72201LEGISLATIVE AUDIT DIVISION
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December 28, 1987

Office of Legislative Auditor
1800 North Third Street
Baton Rouge, LA 70804

Inclosed you will find one copy (enclosed) for the Town of Greenwood. It was not included with the other eight copies mailed earlier.

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.

Thank you,

*Theresa C. Hill*Theresa C. Hill
Cook & MosbarrRelease Date 2-18-98Receipt Acknowledged
Legislative AuditorBy J. Sherrill

**Town of Greenwood
Greenwood, Louisiana**

General Purpose Financial Statements

As of and for the Year Ended June 30, 1997

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Town of Greenwood
Greenwood, Louisiana

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CHOE & MOHRBANT

Chartered Public Accountants

1015 BAYOU METEOR - GREENWOOD, LOUISIANA 70042 • P.O. BOX 10348 - GREEN PLEIN, LOUISIANA 70704

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Independent Auditor's Report

The Honorable Bruce B. Adams, Mayor
and Board of Aldermen
Town of Greenwood
Greenwood, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Greenwood, Louisiana, as of June 30, 1987 and for the year then ended. These general purpose financial statements are the responsibility of the Town of Greenwood management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Greenwood, as of June 30, 1987, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 12, 1987 on our consideration of the Town of Greenwood's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Town of Greenwald taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Quality of State, Local, Government, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The accompanying financial information listed as supporting schedules in the table of contents and shown on pages 23-26 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Greenwald. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Cook & Marshert
Certified Public Accountants
December 13, 1987

State of Tennessee
 Government Securities
 Detailed Balance Sheet - All Bond Types and Account Types
 June 30, 1997

	Government Fund Type		Proprietary Fund Type		Accounts Subject			Total Administration Fund
	Bonded	Special District	State	Enterprise	General Fund	Long-Term Debt	Special	
Assets and Other Debits								
Cash	1,183,894	65,957	183,324	1,119,322	-	-	-	1,489,196
Receivables -								
Accounts	8,249	4,174	-	21,048	-	-	-	33,471
Contract and payable	219,253	-	-	-	-	-	-	219,253
Other	-	-	-	24,882	-	-	-	24,882
Due from other funds	53,333	-	-	27,957	-	-	-	81,290
Restricted assets - cash	-	-	-	228,846	-	-	-	228,846
Property and equipment, net	-	-	-	3,853,165	668,444	-	-	4,521,613
Other assets	-	-	-	965	-	-	-	965
Amount available in debt service funds Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	184,527	184,527
Total assets	1,245,426	70,131	183,324	2,331,132	668,444	-	184,527	3,503,884

The accompanying notes are an integral part of this statement.

Continued

Types of Government
Government Activities
Combined Balance Sheet - Affiliated Types and Account Groups
Continued
June 30, 1987

	Governmental Fund Types		Proprietary Fund Type		Governmental Funds		Total (Governmental Funds Only)
	General	Special	Debt	Enterprise	General Fund	Special Fund	
Assets and Liabilities							
Accounts payable				884			884
Due to other funds			80,777				80,777
Gifts in kind payable				1,347			1,347
Payroll taxes payable	1,094			870			1,964
Payable to non-governmental entities -							
Revenue bonds - current maturities				21,094			21,094
Borrowed funds				238,128			238,128
Customers' deposits				15,096			15,096
General obligation bonds payable				-		342,000	342,000
Borrowed funds payable - long term				9,423,849			9,423,849
Short-term payable				51,048			51,048
Total liabilities	1,094		81,171	4,281,114		342,000	4,705,379
Fund equity							
Dedicated deposits				548,413			548,413
Investment in general fund equity				-	858,818		858,818
Retained earnings -							
Retained for investment funds				248,063			248,063
Government				1,462,483			1,462,483
Bondholders -							
Retained for debt service			185,927	-			185,927
Government, undesignated				-			-
Total fund equity							
Total liabilities and fund equity	1,094		81,171	4,281,114		342,000	4,705,379

The accompanying notes are an integral part of this statement.

Town of Groton
Groton, Louisiana
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended June 30, 1997

	General	Special Revenue	Debt Service	Total Miscellaneous Fund
Revenues				
Taxes				
All voters	\$ 70,880	\$ -	\$ 28,780	\$ 119,660
Franchise	28,800	-	-	28,800
Sales	-	158,288	-	158,288
Licenses and permits	587,201	-	-	587,201
Intergovernmental	-	-	-	-
Tobacco taxes	18,880	-	-	18,880
State and federal grants	28,880	-	-	28,880
Fees and forfeits	72,640	-	-	72,640
Other	5,800	-	-	5,800
Interest income	49,474	1,800	8,700	60,974
Total revenues	<u>978,614</u>	<u>180,088</u>	<u>37,480</u>	<u>1,196,182</u>
Expenditures				
Current -				
General government	313,666	2,222	-	315,888
Public safety -				
Police	198,921	-	-	198,921
Capital outlay	48,729	-	-	48,729
Other services	-	-	6,000	6,000
Principal retirement	-	-	11,400	11,400
Interest and local charges	-	-	22,800	22,800
Total expenditures	<u>561,316</u>	<u>2,222</u>	<u>30,200</u>	<u>593,738</u>
Excess of revenues over funds/commitments	<u>417,298</u>	<u>177,866</u>	<u>7,280</u>	<u>602,444</u>
Other financing sources/uses:				
Operating transfers in	182,750	-	-	182,750
Operating transfers out	(152,822)	(1,182,750)	-	(1,335,572)
Total other financing sources/uses	<u>32,928</u>	<u>(1,182,750)</u>	<u>-</u>	<u>(1,149,822)</u>
Excess of revenues and other sources over funds/ expenditures and other uses	350,226	(1,004,884)	7,280	649,622
Fund balances at beginning of year	1,003,798	182,750	120,887	1,307,435
Fund balances - June 30, 1997	<u>\$ 1,353,952</u>	<u>\$ 177,866</u>	<u>\$ 128,167</u>	<u>\$ 1,660,085</u>

The accompanying notes are an integral part of this statement.

**Index of Expanded
Operational Activities**
(Detailed Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual General, Special, and Debt Service Fund Types
for the Year Ended June 30, 2003)

Account	General Fund			Special Revenue Fund Types			Debt Service Fund Type		
	Actual	Budget	Percent Excess/Deficit	Actual	Budget	Percent Excess/Deficit	Actual	Budget	Percent Excess/Deficit
Revenues:									
Taxes:									
Ad valorem	75,000	75,000	0	0	0	0	0	0	0
Excise	92,500	20,000	77%	-	-	-	-	-	-
Sales	-	-	-	150,000	150,000	100%	-	-	-
Income and/or employment	627,500	682,500	92.1%	-	-	-	-	-	-
Intergovernmental	14,000	14,000	100	-	-	-	-	-	-
Others:									
Grants	20,000	20,000	100	-	-	-	-	-	-
Donations	40,000	20,000	200%	-	-	-	-	-	-
Interest	4,100	52,500	7.8%	-	-	-	-	-	-
Other	-	9,000	0%	-	-	-	-	-	-
Interest Income	42,000	42,414	99%	1,000	1,000	100%	3,000	3,000	100%
Total revenues	935,500	1,000,014	93.5%	150,000	150,000	100%	63,000	63,000	100%
Expenditures:									
General government:									
Public utility -									
Police	11,000	11,000	100%	0	0	0%	0	0	0%
Fire	19,000	19,000	100%	-	-	-	-	-	-
Sanitation	60,000	60,000	100%	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Foreign exchange	-	-	-	-	-	-	5,000	5,000	100%
Interest and bond charges	-	-	-	-	-	-	10,000	10,000	100%
Total expenditures	90,000	90,000	100%	0	0	0%	15,000	15,000	100%

The accompanying notes are an integral part of this statement.

Continued

Yearly Reported
Operational Results
Condensed Statements of Operations, Expenditures, and Changes in Net Worths—
Bridge Biotech (Incorporated) — General, Special Dividend and Subj. Service/Asset Types
(Continued)

For the Year Ended June 30, 1987

	General Fund		Special Dividend		Special Dividend		Special Dividend	
	Report	Balance	Income/Expense/Other	Report	Balance	Income/Expense/Other	Report	Balance
Excess of revenues over								
limited expenditures	280,180	280,628	11,238	56,128	118,811	1,411	11,865	1,189
Other financing sources (used):								
Retaining transactions in	180,000	180,750	1	-	-	-	-	-
Retaining transactions and	1,580,889	1,582,820	21,820	119,029	1,181,269	28,248	-	-
Other financing sources (used)	1,410,000	1,388,870	(8,883)	(180,000)	(1,000,769)	(28,128)	-	-
Change of revenues and other sources	1	56,877	81,886	186,858	8,229	27,867	17,865	1,189
over (under) expenditures and other uses	1,171,180	1,573,178	-	(56,128)	(81,269)	(27,867)	(17,865)	(1,189)
Fund balance — July 1, 1984	1,171,180	1,573,178	-	(56,128)	(81,269)	(27,867)	(17,865)	(1,189)
Fund balance — June 30, 1987	1,171,180	1,517,050	-	(56,128)	(81,269)	(27,867)	(17,865)	(1,189)

The accompanying notes are an integral part of the statements.

Town of Coconawood
Coconawood, Louisiana
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings
All Proprietary Fund Types
For the Year Ended June 30, 1997

	<u>Enterprise</u>
Operating revenues:	
Charges for service -	
Water sales	\$ 269,479
Sewerage service charges	267,448
Other charges and fees	<u>25,643</u>
Total operating revenues	<u>562,570</u>
Operating expenses:	
Salaries	81,547
Payroll taxes	2,162
Auto and truck expense	6,432
Legal and accounting	17,424
Insurance - general	18,885
Printing	3,987
Maintenance and repairs	112,027
Miscellaneous expenses	16,280
Office expenses	14,616
Materials and supplies	93,140
Utilities	53,185
Water purchases	19,756
Depreciation	<u>230,692</u>
Total operating expenses	<u>682,233</u>
Operating income (loss)	<u>20,297</u>
Non-operating revenues (expenses):	
Interest income	41,857
Interest expense	(242,768)
Operating transfers from other funds	<u>523,829</u>
Total non-operating revenues (expenses)	<u>322,896</u>
Net income (loss)	322,971
Depreciation transferred to contributions	<u>68,160</u>
Increase in retained earnings	260,421
Retained earnings - July 1, 1996	<u>1,294,040</u>
Retained earnings - June 30, 1997	<u><u>1,488,482</u></u>

The accompanying notes are an integral part of this statement.

Town of Greenwood
Greenwood, Louisiana
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended June 30, 1997

	<u>Extension</u>
Cash flows from operating activities:	
Operating net income (loss)	4 28,287
Adjustments to reconcile operating income to net cash provided by (used) by operating activities:	
Depreciation	238,087
(Increase) decrease in accounts receivable	(38,280)
Increase (decrease) in accounts payable	(32,031)
Increase (decrease) in payroll taxes payable	7,381
Increase (decrease) in sales tax payable	121
Increase (decrease) in customers' deposits	2,558
Increase (decrease) in accrued interest payable	<u>181,154</u>
Net cash provided by operating activities	<u>388,073</u>
Cash flows from non-capital financing activities:	
Operating transfers from other funds	523,678
Cash flows from capital and related financing activities:	
Proceeds from revenue bonds	238,378
Principal paid on revenue bonds and notes payable	(11,857)
Interest paid on revenue bonds and notes payable	(282,758)
Fixed asset additions	<u>(788,498)</u>
Net cash used for capital and related financing activities	<u>(844,725)</u>
Cash flows from investing activities:	
Interest income	41,857
Net increase in cash and cash equivalents	<u>136,843</u>
Cash and cash equivalents - July 1, 1996	1,441,876
Cash and cash equivalents - June 30, 1997	<u><u>\$ 1,578,719</u></u>

The accompanying notes are an integral part of this statement.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 1997

(f) **Summary of Significant Accounting Policies:**

The Town of Greenwood is incorporated under the provisions of the Louisiana Act. The Town operates under a Mayor-Board of Aldermen form of government.

A. Basis of Presentation:

The accompanying general purpose financial statements of the Town of Greenwood 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.

B. Reporting Entity:

As the municipal governing authority, for reporting purposes, the Town of Greenwood is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (Town of Greenwood), all organizations for which the primary government is financially accountable, and (b) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Town of Greenwood for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Town to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Town of Greenwood with its component unit. The component unit included in the accompanying financial statements is blended with the Town's books.

Town of Greenwood
Government, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1997

Blended Component Unit

Component units that are legally separate from the Town but are so intertwined with the Town that they are, in substance, the same as the Town are blended component units. For a component unit to be blended, the organization's board and the Town must be subject to the same, or the organization must provide services, entirely or almost entirely to the Town. The following component unit is reported as part of the Town and blended with the appropriate Town funds:

Sewerage District No. 1 of the Town of Greenwood

This district was formed for the purpose of financing a phase of the sewer system utilized by the citizens of the Town of Greenwood. The district's activities are reported in the debt service fund general fixed assets and general long-term debt account groups.

C. 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 relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the fund/line since they do not directly affect net expendable available financial resources. Funds of the Town are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

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

General Fund - the general operating fund of the Town and accounts for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds - account for transactions relating to resources obtained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1957

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determinational net income is necessary or useful to assist financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise Funds - account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis is financed through user charges.

The account groups of the town are detailed as follows:

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. No depreciation is recorded as general fixed assets.

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from governmental funds.

D. 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 are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
Continued
June 30, 1997

The modified accrual basis of accounting is used by governmental fund types. Under the modified accrual basis, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collection within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have accumulated in the debt service fund for payments to be made early in the following year.

These revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the collecting government at year-end on behalf of the Town also are recognized as revenue. Fees and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

E. Budget and Budgetary Accounting

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

1. The Town Clerk prepares a proposed budget and submits same 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, a public hearing is called.
3. A public hearing is held on the proposed budget after publication of the call for the hearing.
4. After the 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 revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General, Special Revenues, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts in the accompanying statements are as originally adopted, or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1987

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and their investments with original maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the Town of Greenwood, Louisiana may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if its original maturities are 90 days or less, they are classified as cash equivalents.

G. Short-Term Interfund Receivables/Payables

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

H. Fixed Assets

General Fixed Assets Account Group

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed and the related assets are capitalized (reported) in the general fixed assets account group. Public domain, infrastructure (general fixed assets) are not capitalized along with other general fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1987

Proprietary Fund

Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses, renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Power and Water System	15 - 40 years
Equipment	5 - 10 years

I. Compensated Absences

The cost of earned leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken. There is no formal leave policy. The Town generally allows up to two weeks vacation after one year of service. No carryover or accrued vacation leave is allowed.

As of June 30, 1987, employee leave benefits were determined to be immaterial and are therefore not recorded as a liability.

J. Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments on long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

K. Fund Equity

Contributed Capital

Contributed capital is recorded in proprietary funds for capital grants restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognition that portion of the assets acquired or constructed from such resources. The depreciation is placed to the contributed capital account and is reflected as an adjustment to net income.

Town of Gretnwood
Gretnwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1997

Reserves

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

L. Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonreciprocal nonrevenue/permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the primary government are reported as operating transfers.

M. Sales Taxes

The town collects a 7% sales and use tax. After paying reasonable and necessary costs and expenses of collecting and administering the tax, the tax is to be dedicated and used exclusively for the following purposes: general fund and coverage fund land acquisitions; general fund and coverage fund capital expenditures; coverage fund for additions, improvements and extensions of the coverage system and general fund for operations.

N. Bad Debt

Uncollectible amounts due for ad valorem taxes, customer's utility receivables and special assessments are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

O. Total Columns on Combined Statements

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

Town of Coconawood
Coconawood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1997

F. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

G. Fund Deficits

The following individual funds have deficits in unreserved retained earnings on June 30, 1997:

<u>Fund</u>	<u>Deficit Amount</u>
Enterprise Fund - Sewer	<u>11,355,328</u>

H. Levied Taxes

Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. State law requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31.

The following is a summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Fund	8.58	8.58	2021
Debt Service	variable	4.20	2021

Town of Government
Government, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1997

41 Cash and Cash Equivalents

The following is a summary of cash and cash equivalents (book balances) at June 30, 1997:

Demand deposits	\$ 182,863
Interest-bearing demand deposits	831,878
Money market accounts	821,828
Time deposits	1,290,623
Total	<u>\$ 2,127,192</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be insured 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 1997, the Town had 13,021,790 in deposits (collected bank balances). These deposits are secured from risk by 1,026,808 of federal deposit insurance and 12,663,051 of pledged securities held by the custodial bank in the name of the fiscal agent bank. The accounts are held at three different Louisiana banks.

Even though the pledged securities are considered encumbered under the provisions of GASB Statement 2, Louisiana Revised Statute 28:1127 imposes a statutory requirement on the custodial bank to absorb (and sell) the pledged securities within 18 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

42 Fund Balance - Designated

The amount shown as fund balance - designated for subsequent expenditures represents funds collected by the Town designated for a certain construction project.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1997

g) **Fixed Assets**

A summary of changes in general fixed assets for the year follows:

	Balance July 1, 1995	Additions	Deletions	Balance June 30, 1997
Town Hall	\$ 434,710	\$ --	\$ --	\$ 434,710
Law enforcement equipment	85,752	29,458	--	115,210
Furniture and fixtures	33,090	--	--	33,090
Water line relocation	50,000	--	--	50,000
Street lights	32,868	28,270	--	61,138
Measures	10,758	--	--	10,758
Playground	13,280	--	--	13,280
Total general fixed assets	\$ 663,188	\$ 57,728	\$ --	\$ 720,916

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

	Water	Sewer	Total
Land	\$ 58,220	\$ 142,438	\$ 200,658
Sewer system	4,801,012	3,043,885	7,844,897
Total	4,859,232	3,186,323	8,045,555
Less accumulated depreciation	(113,292)	(1,358,377)	(1,471,669)
Net	\$ 4,745,940	\$ 1,827,946	\$ 6,573,886

Town of Greenwood
Covington, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1957

(7) Capitalized Interest

Interest cost are capitalized when incurred by proprietary funds or debt when proceeds were used to finance construction of assets. During the year ended June 30, 1957 426,708 of interest expense was capitalized on assets constructed in the proprietary water fund.

(8) Risk Management

The Town 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. The Town maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

(9) Pension Plan

Police employees of the Town are members of Municipal Police Employee's Retirement System. This is a statewide retirement system. This system is a cost-sharing, multiple-employer, defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

All full-time police department employees, engaged in law enforcement are required to participate in the System. Employees who retire at or after age 54 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 1/3 per cent of their final average salary for each year of creditable service. Final average salary is the employee's average salary over the 35 consecutive or joint months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8407 United Plaza Boulevard, Baton Rouge, Louisiana 70808-2750, or by calling (584) 508-7413.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1987

Funding Policy - Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 0.8 percent of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:702, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System for the years ending June 30, 1987, 1986 and 1985 were 18,640, 18,837 and 14,855 respectively, equal to the required contributions for each year.

(10) Other Postemployment Benefits

The Town provides no other postemployment benefits to its employees.

(11) Changes in General Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended June 30, 1987:

	General Obligation Bonds	Revenue Bonds	Other Notes	Total
Obligations payable at July 1, 1986	\$ 348,080	\$ 4,232,713	\$ 181,640	\$ 4,762,433
Less principal payments year ended June 30, 1987	(8,080)	(11,861)	-	(19,941)
Additions year ended June 30, 1987	-	338,378	-	338,378
Obligations payable at June 30, 1987	<u>\$ 340,000</u>	<u>\$ 4,493,230</u>	<u>\$ 181,640</u>	<u>\$ 4,983,870</u>

Obligations payable at June 30, 1987 are comprised of the following individual issues:

Series of obligation bonds:

1207,080 dated 7/1/81; due in annual installments of
\$7,080 - \$12,800 through July 1, 2021; interest at 5%.
The debt redemption is paid from the Debt Service Fund.

\$ 171,800

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 2027

(11) Changes in General Long-Term Obligations (Continued)

General obligation bonds Spear District #1: \$100,000 coverage utility bonds dated 7/1/61; due in annual installments of \$2,000 - \$12,000 through July 1, 2027; interest at 5%	171,000
Total General Obligation Bonds	<u>1 342,000</u>
Sewer revenue bonds:	
\$1,200,000 dated 12/14/98, due in annual installments of \$50,821 including interest at 5.50%, through December 14, 2026. The payments shall be equal in amount and consist of fully amortized installments of principal and interest	1 1,221,584
Sewer revenue bonds:	
\$250,000 dated 12/14/85, due in annual installments of \$18,585 including interest at 7.50%, through December 14, 2026. The payments shall be equal in amount and consist of fully amortized installments of principal and interest	298,020
Water revenue bonds:	
\$1,867,000 dated August 17, 1996, due in annual installments of \$18,949 including interest at 5.75% through August 1, 2026. The payments shall be equal in amount and consist of fully amortized installments of principal and interest	1,867,000
Water revenue bonds:	
\$1,800,000 dated August 17, 1996, due in annual installments of \$5,417 including interest at 5.125% through August 1, 2026. The payments shall be equal in amount and consist of fully amortized installments of principal and interest	1,800,000
Total Revenue Bonds	<u>1 4,862,104</u>
Other notes payable	
Note payable to State of Louisiana non-af bond bearing with no fixed maturity date	<u>1,787,426</u>

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1987

111 Changes in General Long-Term Obligations (Continued)

At June 30, 1987, the Town has accumulated 1,058,527 in debt service funds for future debt requirements. The annual requirements to service all bonds outstanding at June 30, 1987, including interest of 4,253,300 for its General Obligation Bonds and 16,426,348 for the Revenue Bonds follows:

Year Ending June 30,	General Obligation	Revenue	Total
1988	\$ 25,100	\$ 487,218	\$ 482,318
1989	34,300	389,990	324,890
1990-1994	123,200	1,540,884	1,678,184
1995-1999	124,800	1,540,884	1,671,384
2010-2014	123,700	1,540,884	1,678,984
2015-2019	124,700	1,540,884	1,671,584
2020-2024	48,500	1,540,884	1,528,484
2025-2029	-	1,433,488	1,433,488
2030-2035	-	1,258,258	1,258,258
	<u>\$ 325,300</u>	<u>\$ 11,285,289</u>	<u>\$ 11,880,589</u>

General obligation bonds are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 38:1402, the Town is legally restricted from incurring long-term bonded debt in excess of 25 per cent of the assessed value of taxable property in the Town.

112 Interfund Transactions

Interfund receivables and payables consist of the following at June 30, 1987:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 33,333	\$ -
Debt Service	-	41,373
Enterprise Funds		
Street Fund	31,697	33,373
	<u>\$ 34,830</u>	<u>\$ 34,830</u>

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1997

(13) Changes in Contributed Capital

The following is a summary of changes in contributed capital:

Balance at June 30, 1996	\$	618,902
Depreciation transferred to contributed capital		28,480
Balance at June 30, 1997	<u>\$</u>	<u>647,382</u>

(14) Restricted Assets - Proprietary Fund Type

Restricted assets were applicable to the following at June 30, 1997:

Cash:		Enterprise Fund,
Cade Parish Commission	\$	11,216
Sewer construction phase II		5,247
Customer deposits		78,855
Contingency funds - revenue bonds		100,400
Reserve funds - revenue bonds		118,360
Sinking funds - revenue bonds		<u>29,240</u>
	<u>\$</u>	<u>338,280</u>

Components of Restricted Assets:

Sinking Funds

The Town of Greenwood is required by US&N Rural Development to maintain a Sinking Fund into which 1/12 of the annual installment note payment is deposited each month.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1987

Reserve Funds

The Town of Greenwood is required by USDA Plan of Development to deposit 5% of monthly Sinking Fund payments into a Reserve Fund specified amounts have been accumulated therein.

Contingency Fund

The Town of Greenwood is required USDA Rural Development to deposit monthly into these funds for a depreciation allowance. The amount to be accumulated is not stipulated.

For the year ended June 30, 1987, the Proprietary Funds in compliance with the requirements for making deposits into the three restricted accounts.

115) Federal Programs

On June 30, 1987, Sewer Revenue Bonds issued by the Town totaling \$414,808 (2F04 10418) were purchased by the Farmers Home Administration. The remaining balance of \$342,808 is included in revenue bonds payable on the accompanying balance sheet.

On December 14, 1988, General Obligation Sewer Bonds issued by the Town totaling \$1,258,080 (2F04 10418) were purchased by the Farmers Home Administration. The remaining balance of \$1,478,240 is included in revenue bonds payable on the accompanying balance sheet.

On August 1, 1986, Water Revenue Bonds issued by The Town totaling \$2,868,080, with a remaining balance of \$2,868,080 at June 30, 1987, were purchased by USDA Rural Development.

During the year ended June 30, 1987, The town received \$28,087 from two separate federal law enforcement grants.

116) Expenditures - Actual and Budget

The following individual funds have actual expenditures over budgeted expenditures for the year ended June 30, 1987.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variances</u>
General Fund	\$ 419,187	\$ 441,128	\$ 24,402

Reporting Schedule

Town of Greenwood
Greenwood, Louisiana
Combining Balance Sheet
All Proprietary Fund Types
June 30, 1987

	Interest		Total
	Water	Sewer	
Assets			
Current assets:			
Cash	\$ 1,852,811	\$ 151,219	\$ 2,004,030
Receivables -			
Accounts	32,272	24,138	56,410
Other	24,587	-	24,587
Due from other funds	-	21,821	21,821
Total current assets	<u>1,919,670</u>	<u>217,078</u>	<u>2,136,748</u>
Restricted assets - cash	181,644	234,041	415,685
Property, plant and equipment			
Land	35,223	142,436	177,659
Plant and equipment	<u>4,081,812</u>	<u>3,943,898</u>	<u>8,025,710</u>
	4,007,208	3,186,270	7,193,478
Less accumulated depreciation	<u>(1,152,258)</u>	<u>(1,358,217)</u>	<u>(2,510,475)</u>
Net property, plant and equipment	<u>2,854,950</u>	<u>1,828,053</u>	<u>4,683,003</u>
Other assets	500	-	500
Total assets	<u>\$ 3,144,062</u>	<u>\$ 2,873,089</u>	<u>\$ 6,017,151</u>

(Continued)

Town of Greenwood
Greenwood, Louisiana
Combining Balance Sheet
All Proprietary Fund Types
(Continued)
June 30, 1997

	Enterprise		Total
	Water	Sewer	
Liabilities and Fund Equity			
Liabilities:			
Current liabilities (payable from current assets) -			
Accounts payable	\$ 3,243	\$ 1,269	\$ 4,512
Payroll taxes payable	1,869	2,835	4,704
Sales tax payable	1,247	-	1,247
Due to other funds	-	33,132	33,132
Total current liabilities (payable from current assets)	<u>6,369</u>	<u>37,236</u>	<u>43,605</u>
Current liabilities (payable from restricted assets) -			
Revenue bonds payable	17,250	14,484	31,734
Accrued interest payable	161,004	58,781	219,785
Customers' deposits	82,673	28,679	111,352
Total current liabilities (payable from restricted assets)	<u>260,927</u>	<u>99,944</u>	<u>360,871</u>
Long-term liabilities -			
Revenue bonds payable	2,972,758	1,455,826	4,428,584
Other notes payable	181,848	-	181,848
Total liabilities	<u>3,294,898</u>	<u>1,582,217</u>	<u>4,877,115</u>
Fund equity:			
Contributed capital	-	548,432	548,432
Retained earnings (deficit) -			
Reserved for revenue bonds	49,587	108,580	158,167
Unreserved	1,701,580	(1,255,180)	446,400
Total retained earnings (deficit)	<u>1,751,167</u>	<u>(1,146,600)</u>	<u>604,567</u>
Total fund equity	<u>1,751,167</u>	<u>401,832</u>	<u>2,153,000</u>
Total liabilities and fund equity	<u>\$ 5,046,065</u>	<u>\$ 1,984,049</u>	<u>\$ 7,030,114</u>

Town of Greentown
Greentown, Louisiana
Combining Schedule of Revenues, Expenses, and Changes in Retained Earnings
All Proprietary Fund Types
For the Year Ended June 30, 1990

	Categories		Total
	Water	Sewer	
Operating revenues:			
Charges for services -			
Water sales	\$ 368,425	-	\$ 368,425
Sewerage service charges	-	307,440	307,440
Other charges and fees	18,186	6,585	24,771
Total operating revenues	<u>386,611</u>	<u>314,025</u>	<u>700,636</u>
Operating expenses:			
Salaries	43,081	47,660	90,741
Payroll taxes	3,482	3,750	7,232
Auto and truck expense	824	4,585	5,409
Legal and accounting	18,484	8,980	27,464
Insurance - general	11,504	8,074	19,578
Testing	-	5,583	5,583
Maintenance and repairs	68,157	22,880	91,037
Miscellaneous expenses	14,000	420	14,420
Office expense	12,985	551	13,536
Materials and supplies	75,081	15,658	90,739
Utilities	33,983	18,322	52,305
Water purchases	18,750	-	18,750
Depreciation	37,380	252,652	290,032
Total operating expenses	<u>386,233</u>	<u>287,828</u>	<u>674,061</u>
Operating income (loss)	<u>0,378</u>	<u>26,207</u>	<u>26,585</u>
Non-operating revenues (expenses):			
Interest income	30,388	5,508	35,896
Interest expense	(181,024)	(30,784)	(211,808)
Operating transfers from other funds	503,828	-	503,828
Total non-operating revenues (expenses)	<u>353,192</u>	<u>(25,276)</u>	<u>327,916</u>
Net income (loss)	<u>353,570</u>	<u>1,931</u>	<u>355,501</u>
Depreciation transferred to contributions			
Income (decrease) in retained earnings	<u>353,570</u>	<u>(324)</u>	<u>353,246</u>
Retained earnings (deficit) - July 1, 1989	1,289,028	1, 60,988	1,290,616
Retained earnings (deficit) - June 30, 1990	<u>1, 731,157</u>	<u>1, 59,664</u>	<u>1, 730,821</u>

Town of Greenwood
Greenwood, Louisiana
Combining Schedule of Cash Flows
All Proprietary Fund Types
For the Year Ended June 30, 2007

	Enterprise		Total
	Water	Sewer	
Cash flows from operating activities:			
Operating net income (loss)	\$ 6,800	\$ 26,100	\$ 32,900
Adjustments to reconcile operating income to net cash provided by (used) by operating activities:			
Depreciation	17,240	152,892	230,892
Increase (decrease) in accounts receivable	(12,754)	(12,808)	(25,562)
Increase (decrease) in accounts payable	(38,481)	520	(37,961)
Increase (decrease) in payroll taxes payable	292	1,166	1,458
Increase (decrease) in sales tax payable	121	--	121
Increase (decrease) in customers' deposits	1,204	2,254	3,458
Increase (decrease) in accrued interest payable	181,024	130	181,154
Net cash provided by operating activities	<u>122,856</u>	<u>170,522</u>	<u>293,378</u>
Cash flows from non-capital financing activities:			
Operating transfers from other funds	923,600	--	923,600
Cash flows from capital and related financing activities:			
Proceeds from revenue bonds	238,278	--	238,278
Principal paid on revenue bonds and notes payable	--	(11,857)	(11,857)
Interest paid on revenue bonds and notes payable	(181,024)	(181,768)	(362,792)
Fund asset additions	(258,902)	--	(258,902)
Net cash provided (used) for capital and related financing activities	<u>(261,648)</u>	<u>(193,625)</u>	<u>(455,273)</u>
Cash flows from investing activities:			
Interest income	36,248	5,508	41,756
Net increase in cash and cash equivalents	<u>48,770</u>	<u>82,229</u>	<u>130,999</u>
Cash and cash equivalents -- July 1, 2006	1,112,735	328,848	1,441,583
Cash and cash equivalents -- June 30, 2007	<u>\$ 1,161,505</u>	<u>\$ 411,077</u>	<u>\$ 1,572,582</u>

Town of Greenwood
Greenwood, Louisiana
Schedule of Amounts Paid to Members
of the Governing Body
For the Year Ended June 30, 1997

Mayor - Dawn B. Adams, Salary and allowance	\$ 8,400
Advisors:	
Rebecca C. Barks	1,200
Britt Massey	1,200
James Seintgen	1,200
Edgar Williams	1,200
Yvonne Hamilton	1,200
	<u>\$ 14,800</u>

Town of Greenwood
Greenwood, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

Federal Grants -- Program Title	Pass Through Account's Number	CFDA Number	Expenditures
U.S. Department of Agriculture - Farmers Home Administration - Direct Program - Water and Waste Disposal Systems for Rural Communities	N/A	10.418	N/A
U.S. Department of Justice - Office of Community Oriented Policing Services - Direct Program - COPS East Award	95CFW01084	16.730	4 10,817
U.S. Department of Justice - Passed through Louisiana Commission on Law Enforcement - Criminal Patrol	95AG106878082	16.678	4 10,420

Notes:

On June 30, 1997, Sewer Revenue Bonds issued by the Town totaling 1414,000, with a remaining balance of \$342,000 at June 30, 1997, were purchased by the Farmers Home Administration.

On December 14, 1986, Sewer/Bligation Sewer Bonds issued by the Town totaling 21,358,000, with a remaining balance of \$1,400,348 at June 30, 1997, were purchased by the Farmers Home Administration.

On August 1, 1986, Water Revenue Bonds issued by the Town totaling 62,900,000, with a remaining balance of \$2,998,908 at June 30, 1997, were purchased by the USDA Rural Development.

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

COOK & MERRILLANT

Certified Public Accountants

200 BAYVIEW DRIVE • SUITE 100 • GREENWOOD, MISSISSIPPI 39206 • PHONE (601) 355-1200 • TELEFAX (601) 355-1201

STATE OF MISSISSIPPI

TOWN OF GREENWOOD

FISCAL YEAR 1997

NUMBER 2 OF 2007

STATE OF MISSISSIPPI
 DEPARTMENT OF REVENUE
 4 BRUNNEN STREET
 GREENWOOD, MISSISSIPPI 39206

MISSISSIPPI
 DEPARTMENT OF REVENUE
 4 BRUNNEN STREET
 GREENWOOD, MISSISSIPPI 39206

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance With Government Auditing Standards

Town of Greenwood
Greenwood, Louisiana

We have audited the general purpose financial statements of the Town of Greenwood in and for the year ended June 30, 1997, and have issued our report thereon dated December 12, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Greenwood's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Greenwood's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. The consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Directors and federal awarding agencies and pass-through entities. However, this restriction is not intended to limit the distribution of this report.



Cook & Merrillant
 Certified Public Accountants
 December 12, 1997

COOK & MOHRHART

Chartered Public Accountants

2001 MARKET AVENUE, THREE FLOORS, GREENWOOD, MISSOURI 64601-1000, MISSOURI TELEPHONE 472-1000

STATE OF MISSOURI 1987

REGISTRATION NO. 000000

TYPE 0000 000000

EXPIRES 12/31/87

1. MISSOURI PUBLIC ACCOUNTANTS ACT
2. MISSOURI PUBLIC ACCOUNTANTS REGULATIONS
3. MISSOURI PUBLIC ACCOUNTANTS BOARD OF ACCOUNTANTS

MEMBER
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF COST ACCOUNTANTS
INTERNATIONAL ASSOCIATION

Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

Town of Greenwood
Greenwood, Missouri

Compliance

We have audited the compliance of the Town of Greenwood with the types of compliance requirements described in the U. S. Department of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1987. The Town of Greenwood's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Greenwood's management. Our responsibility is to express an opinion on the Town of Greenwood's compliance based on our audit.

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

In our opinion, the Town of Greenwood complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1987.

Internal Control Over Compliance

The management of the Town of Greenwood is responsible for establishing and maintaining an effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Greenwood's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing

procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Directors and federal awarding agencies and pass-through entities. However, this restriction is not intended to limit the distribution of this report.



Cook & Marchant CPAs
December 12, 2007

Town of Greenwood
Greenwood, Louisiana

Summary Schedule of Prior Audit Findings

There were no findings or questioned costs for the audit period ended June 30, 2006.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Town of Greenwood.
2. No reportable conditions are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Town of Greenwood were disclosed during the audit.
4. No reportable conditions are reported in the Report on Compliance With Program Objectives Applicable to Each Major Program and Internal Control Over Compliance in Accordance With DHS Circular 4-100.
5. The auditor's report on compliance for the major federal award program for the Town of Greenwood expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award program for the Town of Greenwood reported in Part C of this schedule.
7. The program listed as a major program was the Farmers Home Administration Water and Waste Disposal Systems for Rural Communities (FHA #1041B).
8. The threshold for distinguishing Types II and III programs was 1,000,000.
9. The Town of Greenwood met the 50% coverage rule with no reason to make the low-risk audit determination.

B. Findings – Financial Statements Audit: None

C. Findings and Questioned Costs – Major Federal Award Programs Audit: None