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LOCAL GOVERNMENT

**VILLAGE OF
GROSSE TETE, LOUISIANA**

FINANCIAL REPORT

December 31, 1987

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

Release Date 6-16-98

Provest
Suhler
Harper
Alford LLC

Certified Public Accountant
Business Address

VILLAGE OF GROSSE TETE, LOUISIANA

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

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

We have audited the accompanying general purpose financial statements of the Village of Groesbe Tete, Louisiana, and the individual fund and account group financial statements of the Village as of and for the year ended December 31, 1997 as listed in the accompanying table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Groesbe Tete, Louisiana, at December 31, 1997, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the individual fund and account group financial statements referred to above present fairly, in all material respects the financial position of each of the individual funds and account groups of the Village of Groesbe Tete, Louisiana, at December 31, 1997, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles.

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

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

In accordance with *Governments Auditing Standards* we have also issued reports dated April 28, 1998 on our consideration of the Village of Grosche Tete's internal control structure and on its compliance with laws and regulations.

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

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.
April 29, 1998

VILLAGE OF GROSSE TETE, LOUISIANA

General Purpose Financial Statements

December 31, 1997

VILLAGE OF GROSSE TETE, LOUISIANA

Condition Balance Sheet - all Fund Types and Account Groups

December 31, 2007

ASSETS AND OTHER DEBITS	Governmental Fund Types				Proprietary Fund Type			Account Groups		Totals (Manufacturing Only) 1997
	General	Special Revenue	Proprietary Fund Type Enterprise	General Fund Assets	General Fund Assets	Long-Term Debt	Totals			
							1997	2006		
Assets										
Cash and cash equivalents	\$ 68,197	\$ 32,146	\$ 9,168	\$ -	\$ -	\$ -	\$ -	\$ 109,499	\$ 19,114	
Investments	247,238	29,000	6,736	-	-	-	-	283,029	116,583	
Receivables (net of allowance for uncollectibles)										
Taxes	6,212	-	-	-	-	-	-	6,212	4,693	
Accounts	942	-	93,084	-	-	-	-	93,984	8,834	
Intergovernmental	26,002	6,808	-	-	-	-	-	40,492	21,765	
Property, plant and equipment (net values applicable of accumulated depreciation)	-	-	104,761	760,116	-	-	-	869,878	824,186	
Due from other fund	4,236	-	-	-	-	-	-	4,236	2,721	
Amount to be provided for retirement of general long term debt	-	-	-	-	-	93,381	-	93,381	178,586	
Total Assets And Other Debits	\$ 351,824	\$ 66,992	\$ 115,679	\$ 760,116	\$ 93,381	\$ 93,381	\$ -	\$ 1,448,059	\$ 1,268,026	

VILLAGE OF GROSSE TETE, LOUISIANA

Table A

Condensed Balance Sheet - All Fund Types and Account Groups, Continued

December 31, 1997

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types		Proprietary Fund Types		Account Groups			Totals	
	General	Special Revenues	Financial Enterprise	Financial Enterprise	General Assets	General Liabilities		1997	1996
						Long-Term Debt	Debt		
Liabilities									
Account and payroll taxes payable	\$ 14,143	\$ 2,753	\$ 1,794	\$ -	\$ -	\$ -	\$ -	\$ 16,690	\$ 16,690
Due to other fund	-	144	4,092	-	-	-	-	4,236	2,323
Capital assets payable	-	-	-	-	-	-	93,581	93,581	130,986
Total liabilities	14,143	2,897	5,875	-	-	-	93,581	114,506	150,016
Equity And Other Credits									
Investment in general fund assets	-	-	-	-	798,136	-	-	798,136	798,136
Contributed capital	-	-	121,649	-	-	-	-	121,649	121,649
Accumulated deficit	-	-	(2,875)	-	-	-	-	(2,875)	(13,302)
Fund balance	-	-	-	-	-	-	-	-	-
Referred to the previous	-	63,597	-	-	-	-	-	63,597	60,863
Deferred - unobligated	345,781	-	-	-	-	-	-	345,781	261,541
Total equity and other credits	345,781	63,597	118,774	-	798,136	-	-	1,248,204	1,187,229
Total Liabilities, Equity And Other Credits	\$ 391,094	\$ 69,494	\$ 178,679	\$ -	\$ 798,136	\$ -	\$ -	\$ 1,496,810	\$ 1,387,415

VILLAGE OF GROSSE TETE, LOUISIANA

*Continental Statement of Revenues, Expenditures, and Changes in
Fund Balances - All Governmental Fund Types*

Four Ended December 31, 1997

	General	Special Revenues	Totals (Millions of Dollars)	
			1997	1996
Revenues				
Taxes	\$ 26,288	\$ -	\$ 26,288	\$ 25,621
Licenses and permits	27,648	-	27,648	23,892
Intra-governmental	339,605	84,371	413,976	380,106
Fees	196,854	-	196,854	180,443
Interest	8,232	2,533	10,765	9,739
Miscellaneous	15,114	-	15,114	1,361
Total revenues	963,438	86,904	1,050,342	971,062
Expenditures				
Current				
General government	118,798	-	118,798	181,238
Public safety	117,809	48,665	166,474	139,512
Highways and streets	99,975	-	99,975	94,354
Health	489	-	489	2,251
Culture and recreation	2,944	-	2,944	2,794
Capital outlay				
General government	14,046	-	14,046	24,322
Public safety	48,898	9,258	58,156	33,608
Highways and streets	2,281	-	2,281	84,254
Debt Service				
Principal	-	27,284	27,284	31,491
Interest charges	-	7,688	7,688	9,444
Total expenditures	483,176	84,145	567,321	517,733
Excess Of Revenues Over Expenditures	480,262	2,759	483,021	453,329
Other Financing (Use)				
Operating transfers out	(26,885)	-	(26,885)	(17,608)
Excess Of Revenue And Other Financing Sources Over Expenditures And Other Financing (Use)	453,377	2,759	456,136	435,721
Fund Balances				
Beginning	213,841	68,862	282,703	235,944
Ending	\$ 667,198	\$ 62,597	\$ 729,795	\$ 671,665

VILLAGE OF GROSSE TETE, LOUISIANA

Confined Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
All Governmental Fund Types

Year Ended December 31, 2005

	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues					
Taxes	\$ 21,275	\$ 26,285	\$ -	\$ -	-
Fees					
License					
Licenses and permits					
Business	26,000	27,648	1,648	-	-
Intergovernmental					
State shared revenues					
Video poker	60,000	60,000	6,000	-	-
Tobacco tax	3,000	3,358	358	-	-
Oil lease and royalties	1,700	1,780	0	-	-
Highway maintenance	1,600	1,690	-	-	-
Lease rail/canal	1,200	1,200	3	-	-
Alcoholic beverage tax	1,500	1,672	172	-	-
State Department of Agriculture operating grant	-	-	-	-	-
Service Parks shared revenues	226,000	226,690	6,000	64,371	(4,189)
Sales and use tax	133,000	126,324	1,324	-	-
Fines	9,150	9,232	(82)	2,437	1,683
Interest	26,000	27,114	(8,000)	-	-
Miscellaneous					
Total Revenues	383,645	462,438	(316)	65,804	(1,268)

VILLAGE OF GROSSE TETE, LOUISIANA

Exhibit C

Condensed Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended December 31, 1997

All Governmental Fund Types, Continued

Expenditures	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)	Actual	Budget	Actual	Budget	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual						
Current										
General government	\$ 119,226	\$ 119,919	\$ 0	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	134,979	137,899	0	0	0	0	0	0	0	1,927
Highways and roads	119,323	96,971	0	0	0	0	0	0	0	-
Health	2,323	409	0	0	0	0	0	0	0	-
Culture and recreation	9,686	1,344	0	0	0	0	0	0	0	-
Total current expenditures	375,437	346,437	29,362	0	0	0	0	0	0	1,927
Capital outlay										
General government	2,000	14,946	0	0	0	0	0	0	0	-
Public safety	4,500	0	0	0	0	0	0	0	0	-
Highways and roads	2,100	1,200	0	0	0	0	0	0	0	0
Total capital outlay	8,600	16,192	0	0	0	0	0	0	0	0
Debt service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-	-	-	-	-
Fund Expenditures	457,818	463,186	29,362	0	0	0	0	0	0	1,927

See Notes to Financial Statements

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Continued on next page

VILLAGE OF GROSSE TETE, LOUISIANA
Combined Statements of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
All Governmental Fund Types, Continued

Year Ended December 31, 2007

	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 100,920	\$ 161,248	\$ 1,433	\$ 2,725	\$ 1,301	\$ 1,301
Other Financing (Fund) Operating (transfer) net	(28,809)	(55,058)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Fund)	\$ 71,111	\$ 106,190	\$ 1,433	\$ 2,725	\$ 1,301	\$ 1,301
Fund Balance						
Beginning	211,341	311,241	-	60,863	60,863	(1)
Ending	\$ 282,452	\$ 417,331	\$ 20,316	\$ 63,588	\$ 43,272	\$ 1,301

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Statements of Revenues, Expenses and Changes in Accumulated Deficit
 Proprietary Fund Type - Enterprise Fund
 Years Ended December 31, 1997 and 1996

	1997	1996
Operating Revenues		
Charges for services		
Water sales	\$ 62,285	\$ 61,408
Service connection and other fees	11,128	11,548
Other operating revenue	1,918	2,158
Total operating revenues	75,331	75,114
Operating Expenses		
Salaries and wages	31,282	34,125
Depreciation	6,241	3,277
Tools and supplies	3,912	1,575
Repairs and maintenance	1,889	2,882
Postage, printing and office supplies	1,850	1,683
Insurance and bonds	7,553	7,145
Bad debts	589	370
Professional services	3,366	3,361
Sewer expenses	5,897	5,880
Shared cost - Water District 4	23,728	24,872
Miscellaneous	257	217
Total operating expenses	89,224	91,048
Operating (Loss)	(13,893)	(15,794)
Nonoperating Revenues		
Interest on investments	288	285
(Loss) Before Operating Transfers	(13,605)	(15,509)
Operating transfers in	26,088	17,680
Net Income	12,483	1,434
Accumulated (Deficit)		
Beginning	(18,282)	(18,736)
Ending	\$ (5,799)	\$ (15,352)

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Statements of Cash Flows

Years Ended December 31, 1997 and 1996

Proprietary Fund Type - Enterprise Fund

	1997	1996
Reconciliation of Operating (Loss) to Net Cash (Used In)		
Operating Activities		
Operating (loss)	\$ (13,891)	\$ (15,794)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities		
Depreciation	6,341	5,277
Provision for doubtful accounts	950	370
Change in assets and liabilities		
Increase (decrease) in due to other funds	1,289	-
(Increase) in accounts receivable	(2,490)	(3,852)
Increase (decrease) in accounts payable and accrued expenses	(761)	(2,520)
Net Cash (Used In) Operating Activities	(8,892)	(14,319)
Cash Flows From Investing Activities		
Interest on investments	298	268
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(18,646)	(3,275)
Cash Flows From Non-Capital Financing Activities		
Operating transfers in	26,800	17,800
Increase (Decrease) in Cash And Cash Equivalents	7,560	(726)
Cash And Cash Equivalents		
Beginning	608	1,334
Ending	\$ 8,168	\$ 608

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements

December 31, 2027

1. Summary of Significant Accounting Policies

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

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

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

Blended Component Unit. Grosse Tete Volunteer Fire Department services the citizens of the government.

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

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2007

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

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

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

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

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

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

All governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1997

Those revenues susceptible to accrual are property taxes, franchise taxes, fines, interest revenue and charges for services. Sales taxes collected and held by the parish and beer and tobacco taxes collected and held by the state at year end on behalf of the Village also are recognized as revenue. Licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash.

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

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

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

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

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

Investments are stated at cost or amortized cost.

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

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

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1997

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

Fixed Assets. General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Proprietary fund type property and equipment is capitalized in the fund in which it is utilized. All purchased fixed assets are valued at cost where historical records are available and at an estimated fair market value on the date received.

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

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

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

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

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

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 in that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of the expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as capital equity transfers. All other interfund transfers are reported as operating transfers.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1997

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

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

Risk Management. The Village 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 Village purchases commercial insurance policies at levels which management believes is adequate to protect the Village. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

2. Legal Compliance - Budgets

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

- A. The Village Clerk prepares a proposed budget for submission to the Mayor and Board of Aldermen no later than 15 days prior to the beginning of the ensuing fiscal year.
- B. 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.
- C. A public hearing is held on the proposed budget at least 14 days after publication of the call for the hearing.
- D. After the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- E. 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.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1997

- F. Formal budgetary integration is employed as a management control device during the year for the General Funds.
- G. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles.

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

3. Deposits and Investments

Deposits. At December 31, 1997, the Village had cash and cash equivalents and investments (book balance) totaling \$391,538.

Under State law, these deposits (or the resulting bank balances) 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 Village's deposits are categorized to give an indication of the level of risk assumed by the Village. The categories are described as follows.

Category 1. Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the entity's name.

At December 31, 1997	Bank Balance	Category			Carrying Amount
		1	2	3	
Deposits	\$ 119,513	\$ 300,000	\$ -	\$ 19,213	\$ 438,726
Conditions of deposit	283,029	300,000	-	183,029	283,029
Cash on hand	-	-	-	-	29
Total cash	\$ 402,542	\$ 300,000	\$ -	\$ 202,242	\$ 704,791

VILLAGE OF GROSSE TETE, LOUISIANA

*Notes to Financial Statements, Continued**December 31, 1997***4. Receivables**

Receivables at December 31, 1997, consist of the following:

	General	Special Revenue	Enterprise	Total
Receivables				
Taxes	\$ 6,210	\$ -	\$ -	\$ 6,210
Accounts Intergovernmental	541	-	10,604	11,546
	<u>31,181</u>	<u>9,783</u>	<u>-</u>	<u>40,964</u>
Other receivables	42,256	5,180	10,604	58,040
Less allowance for uncollectible	-	-	600	600
Net total receivables	<u>\$ 42,256</u>	<u>\$ 5,180</u>	<u>\$ 10,004</u>	<u>\$ 57,440</u>

5. Fixed Assets

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

	Balance December 31, 1996	Additions	Retirements	Balance December 31, 1997
Land	\$ 10,969	\$ -	\$ -	\$ 10,969
Buildings	196,321	37,946	-	234,267
Improvements other than buildings	30,882	-	-	30,882
Equipment	489,157	37,656	34,299	532,514
Total	<u>\$ 726,729</u>	<u>\$ 75,602</u>	<u>\$ 34,299</u>	<u>\$ 768,032</u>

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

	1997
Water system	\$ 218,000
Less accumulated depreciation	<u>156,245</u>
Net fixed assets	<u>\$ 61,755</u>

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1997

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

	Years
Water system	15-50
Equipment	3-10

6. Interfund Assets/Liabilities

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
General	Enterprise	\$ 4,000
General	Special	149
		<u>\$ 4,149</u>

7. Retirement Commitments

Municipal Employees Retirement System of Louisiana (MERS)

Plan Description. All of the Village's full-time general employees participate in the MERS, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate Board of Trustees. MERS provides retirement, disability, and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. MERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Employees Retirement System of Louisiana, 7917 Office Park Boulevard, Baton Rouge, Louisiana, 70809, or by calling (504) 625-4810.

Funding Policy. Plan members are required by state statute to contribute 9.4% of their annual covered salary and employers are required to contribute at an actuarially determined rate. The current employer rate is 6.9% of annual covered payroll. The contribution requirements of plan members and employers are established by, and may be amended by, state law. As required by state law, 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 Village's contributions to MERS for the years ending June 30, 1997 and 1996, were \$1,640 and \$1,611, respectively, and were equal to the required contributions for each year.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1997

Municipal Police Employees Retirement System (MPERS)

Plan Description. All of the Village's full time police employees participate in the MPERS, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate Board of Trustees. MPERS provides retirement, disability, and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Police Employees Retirement System, 8481 United Plaza Boulevard, Suite 170, Baton Rouge, Louisiana, 70809, or by calling (504) 923-7411.

Funding Policy. Plan members are required by state statute to contribute 7 1/2% of their annual covered salary and employers are required to contribute at an actuarially determined rate. The current employer rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, 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 Village's contributions to MPERS for the years ending December 31, 1997 and 1998 were \$4,353 and \$3,842, respectively, and were equal to the required contributions for each year.

8. Lease Commitments

On August 31, 1993, the Village entered into a municipal lease agreement with Emergency One, Inc. for the lease of a fire truck. The terms of the lease are for eight annual rental payments of \$21,571. The payments bear interest at 8.99%. The lease is cancelable on any anniversary date or at any time by paying a pro rata portion of the annual payment due. The lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is an analysis of equipment leased under capital leases as of December 31, 1997.

	General Fixed Assets
Fire truck	\$ 21,571

VILLAGE OF GROSSE TETE, LOUISIANA

*Notes to Financial Statements, Continued**December 31, 1997*

Although the lease has a non-appropriation cancellation provision, the following is a schedule of the future minimum lease payments anticipated under this capital lease and the present value of the net minimum lease payments at December 31, 1997.

	General Long Term Debt
1998	\$ 18,511
1999	18,511
2000	<u>18,511</u>
Total minimum lease payments	108,533
Less amount representing interest	<u>13,152</u>
Present value of future minimum lease payments	<u>\$ 95,381</u>

10. Prior Year Amounts

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

VILLAGE OF GROSSE TETE, LOUISIANA

Supplementary Information

December 11, 1997

VILLAGE OF GROSSE TETE, LOUISIANA

Individual Fund and Account Group Statements and Schedules

December 31, 1997

VILLAGE OF GROSSE TETE, LOUISIANA

General Fund

December 31, 1997

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

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Balance Sheet

December 31, 1997 and 1996

General Fund

ASSETS	1997	1996
Assets		
Cash and cash equivalents	\$ 68,297	\$ 118,153
Investments	247,235	81,791
Receivables		
Other	942	-
Taxes	6,212	4,603
Intergovernmental	35,103	31,808
Due from other fund	4,236	2,712
Total Assets	\$ 361,924	\$ 239,138
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts and payroll taxes payable	\$ 14,143	\$ 27,548
Fund Balance		
Unreserved - undesignated	347,781	211,541
Total Liabilities and Fund Balance	\$ 361,924	\$ 239,139

VILLAGE OF GROSSE TETE, LOUISIANA
**Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balance
General Fund**

December 31, 1997 and 1996

	1997	1996
Revenues		
Taxes	\$ 26,288	\$ 35,621
Licenses and permits	27,648	33,089
Intragovernmental	329,608	293,174
Fines	196,894	184,443
Interest	8,293	4,989
Miscellaneous	17,314	2,181
Total Revenues	<u>585,435</u>	<u>478,537</u>
Expenditures		
Current		
General government	118,790	101,208
Public safety	117,899	103,296
Highways and streets	98,971	88,134
Health	889	1,251
Culture and recreation	2,948	2,790
Total current expenditures	<u>340,897</u>	<u>300,729</u>
Capital outlay		
General government	14,846	34,833
Public safety	85,898	39,400
Highways and streets	1,200	84,234
Total capital outlay	<u>81,944</u>	<u>147,687</u>
Total Expenditures	<u>422,841</u>	<u>448,416</u>
Excess of Revenues Over Expenditures	<u>162,594</u>	<u>30,121</u>
Other Financing (Uses)		
Operating transfers out	(26,089)	(17,083)
Excess Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	<u>136,505</u>	<u>13,038</u>
Fund Balance		
Beginning	211,541	202,685
Ending	<u>\$ 348,046</u>	<u>\$ 215,723</u>

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance

December 31, 2007 and 2006

	2007			2006		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes						
Franchise						
Licenses and permits						
Business	\$ 21,678	\$ 26,348	\$ 4,670	\$ 14,000	\$ 15,521	\$ 1,521
Intergovernmental	24,000	27,440	3,440	24,000	31,203	7,203
State governmental	-	-	-	-	-	-
Operating - alcohol						
State shared revenues	91,000	93,000	2,000	60,000	59,671	(329)
Video permits	3,000	3,440	440	3,000	3,200	200
Telecommunications	1,200	1,672	472	1,300	1,328	28
Alcoholic beverage tax	1,700	1,375	(325)	-	-	-
Oil lease and royalties	1,000	1,000	-	-	-	-
Highway maintenance	1,000	1,000	-	-	-	-
Law enforcement	1,200	1,200	-	-	-	-
One-half parish shared revenues						
Sales and use tax	234,000	239,000	5,000	190,000	197,260	7,260
Fees	125,000	126,254	1,254	90,000	103,441	13,441
Interest	9,500	9,350	(150)	4,000	4,300	300
Miscellaneous	24,000	17,114	(6,886)	-	2,181	2,181
Total Revenues	\$63,948	\$69,438	\$5,490	\$111,000	\$118,203	\$7,203

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

December 31, 1997 and 1996

Budget and Actual - General Fund, Continued

	1997		1996		Variance Favorable (Unfavorable)	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Expenditures						
Current						
General government	\$ 195,235	\$ 187,509	\$ 6919	\$ 21,790	\$ 180,718	\$ (21,509)
Public safety	134,505	137,899	33,936	183,000	149,064	2,154
Highways and streets	109,016	99,971	69,584	96,880	95,154	(9,154)
Public	2,229	409	1,436	3,600	2,153	549
Culture and recreation	3,600	2,544	656	3,880	2,790	392
Total current expenditures	378,419	341,653	29,617	256,750	334,708	(27,963)
Capital outlay						
General government	30,000	14,446	33,504	-	34,002	(9,002)
Public safety	43,000	43,000	-	33,880	29,440	(16,440)
Highways and streets	2,700	2,500	499	20,880	94,134	(24,234)
Total capital outlay	75,700	62,446	34,003	54,760	157,576	(114,875)
Total Expenditures	454,119	404,099	63,620	311,510	492,284	(132,407)
Excess of Revenues Over Expenditures	189,209	147,249	53,419	3,290	23,906	24,386
Other financing (funds)	(55,000)	(55,000)	-	-	(12,000)	(17,000)
Operating transfer out						
Excess of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)	81,919	136,249	53,419	3,290	8,916	3,186
Fund Balance						
Beginning	281,541	281,541	-	303,481	300,609	-
Ending	\$ 294,471	\$ 347,791	\$ 53,369	\$ 310,971	\$ 311,241	\$ 3,186

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Schedule of Expenditures Compared to Budget
General Fund

Exhibit F-1

From Budget December 31, 1997 and 1998

Account	1997		1998		Variance Favorable (Unfavorable)	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
General government						
Salaries	\$ 84,000	\$ 84,342	\$ 208	\$ 11,700	\$ 11,700	\$ (8,000)
Fringe benefits	14,400	14,400	1,440	1,200	1,200	-
Commodities, meals and travel	8,100	8,945	(800)	6,500	1,400	0,300
Professional fees	34,500	34,144	308	4,000	11,500	0,900
Insurance and bonds	11,250	11,810	1,482	4,700	7,000	0,900
Telephone and utilities	7,500	7,817	(80)	4,000	5,000	0,300
Printing, printing and office supplies	3,420	3,400	20	1,000	1,300	400
Deuts and outlays	700	400	30	500	500	(500)
Official journal	1,100	1,110	5	100	700	(80)
Miscellaneous	16,100	14,860	1,200	11,500	19,500	(8,000)
Building maintenance	400	1,070	(1,200)	1,000	1,000	(200)
	119,450	119,750	(600)	11,700	80,200	(75,000)
Total general government						
Public safety						
Police department						
Salaries	61,100	61,000	4,000	50,000	50,000	(800)
Equipment	11,000	4,075	7,500	1,000	1,000	(500)
Uniforms	1,400	1,440	(1,200)	500	1,100	(800)
Vehicle expense	11,500	12,000	200	11,000	11,000	(800)
Telephone	3,170	3,170	4	-	-	-
Toys and supplies	4,400	4,000	1,800	4,000	1,200	2,700
Miscellaneous	16,100	11,400	4,000	1,000	1,100	(1,200)
Insurance and bonds	11,400	20,110	1,610	10,000	10,000	1,600
	114,070	113,095	14,000	81,100	81,100	2,200
Total police department						
	-	-	-	-	-	-
Total department - miscellaneous						
	114,070	113,095	14,000	81,100	81,100	2,100
Total public safety						
	114,070	113,095	14,000	81,100	81,100	2,100

See Notes to Financial Statements

Continued on next page

VILLAGE OF GROSSE TETE, ILLINOIS

Comparative Schedule of Expenditures Compared to Budget - Continued
General Fund

Years Ended December 31, 1997 and 1998

	1997		1998		Variance Favorable (Unfavorable)
	Budget		Actual		
	Budget	Actual	Budget	Actual	
Highways and roads					
Labor	\$ 48,258	\$ 51,846	\$ 11,249	\$ 48,031	\$ (1,031)
Street lights	12,888	11,298	15,200	11,203	1,985
Equipment operation	18,888	9,128	811	18,421	175
Snow removal, tools and supplies	5,833	7,781	6,871	8,285	482
Insurance	8,715	9,978	14,245	14,500	1,178
Miscellaneous	3,175	3,044	249	3,000	2,995
Telephone and utilities	158	714	118	886	414
	118,525	95,971	18,814	93,989	93,150
Health					
Dog permit	2,288	-	2,288	2,987	287
Health services	229	487	(144)	389	189
Total health	2,517	487	2,144	3,376	341
Culture and recreation					
Miscellaneous	3,689	3,944	636	3,000	3,781
	376,416	383,881	28,397	384,730	(71,993)
Total Current Expenditures					
Capital Outlay	18,468	18,846	23,956	-	34,051
Grant government	43,478	43,478	-	11,000	26,400
Public utility poles	2,708	2,211	499	20,000	16,800
Reference and news	86,508	81,137	34,453	11,288	47,689
	\$ 47,162	\$ 481,140	\$ 34,928	\$ 329,728	\$ 41,412
Total Expenditures					
					\$ (11,821)

VILLAGE OF GROSSE TETE, LOUISIANA

Special Revenue Fund

December 31, 1997

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

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

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Balance Sheets

December 31, 1997 and 1996

Volunteer Fire District Special Revenue Fund

ASSETS	1997	1996
Assets		
Cash	\$ 32,044	\$ 31,351
Investments	28,898	28,976
Due from other governments	5,900	5,900
Total Assets	\$ 66,902	\$ 66,227
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 505	\$ 1,551
Due to other funds	144	-
Accrued expense	2,556	2,913
Total Liabilities	3,905	4,464
Fund Balance		
Reserved for fire protection	63,997	60,862
Total fund balance	63,997	60,862
Total Liabilities and Fund Balance	\$ 66,902	\$ 65,326

VILLAGE OF GROSSE TETE, LOUISIANA

*Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
Volunteer Fire District Special Revenue Fund*

December 31, 1997 and 1996

	1997	1996
Revenues		
Intergovernmental		
Beverly Parish operating grant	\$ 84,371	\$ 83,000
State Department of Agriculture operating grant	-	2,802
Interest on investments	2,800	4,872
Total revenues	87,171	90,674
Expenditures		
Current		
Public safety - fire	48,865	26,217
Capital outlays	9,250	4,301
Debt service		
Principal	22,294	23,431
Interest	7,650	9,446
Total expenditures	88,059	63,435
Excess of Revenues Over Expenditures	1,738	27,428
Fund Balance		
Beginning	60,862	33,436
Ending	\$ 62,600	\$ 60,864

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Years Ended December 31, 1997 and 1996

Fund: Fire Department Special Revenue Fund

Exhibit G-1

	1997		1996		Systemic Revenue Reimbursable
	Budget	Actual	Budget	Actual	
Revenues					
Intergovernmental					
Inherit (franchise) operating grant					
State Department of Agriculture operating grant					
Interest on investments					
Total Revenues	\$ 88,508	\$ 84,371	\$ 14,076	\$ 84,000	\$ 21,000
Expenditures					
Current					
Police utility - Civil Department	14,076	12,677	1,109	11,074	1,066
Insurance	826	800	126	864	1,479
Fuel and subordinates	126	88	28	28	181
Expense account	1,216	1,243	1,116	1,284	1,564
Maintenance	1,711	1,419	805	1,004	1,054
Professional service	1,845	1,414	911	1,000	1,044
Supplies	14,115	11,347	1,664	1,361	1,684
Utilities	1,148	4,546	1,500	4,188	1,216
Total public utility	49,852	44,662	1,887	26,217	1,887
Capital outlay	11,188	9,126	3,698	3,600	4,281
Debt service					
Principal	27,288	27,288	0	21,471	-
Interest	2,488	2,488	-	3,000	614
Total debt service	29,776	29,776	0	24,471	614
Total Expenditures	97,077	94,148	3,088	66,261	6,111
Total Expenditures	1,403	1,795	1,388	1,591	1,767
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balance					
Beginning	68,602	66,682	10	10,000	11,454
Ending	\$ 67,284	\$ 65,487	\$ 1,881	\$ 24,670	\$ 6,684
Total					

VILLAGE OF GROSSE TETE, LOUISIANA

Enterprise Fund

December 31, 2027

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

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

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Balance Sheet

December 31, 1997 and 1996

Enterprise Fund

ASSETS	1997	1996
Current Assets		
Cash	\$ 8,168	\$ 608
Investments	8,736	8,736
Accounts receivable, net of allowance for uncollectibles; 1997, \$600; 1996, \$521.	<u>18,894</u>	<u>8,854</u>
Total current assets	<u>24,998</u>	<u>18,198</u>
Plant And Equipment, at cost, net of accumulated depreciation, 1997, \$155,645; 1996, \$149,908.	<u>181,762</u>	<u>97,417</u>
Total Assets	<u>\$ 126,670</u>	<u>\$ 115,615</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities		
Accounts payable	\$ 1,784	\$ 2,345
Due to other funds	<u>4,982</u>	<u>2,721</u>
Total current liabilities	<u>6,766</u>	<u>5,066</u>
Fund Equity		
Contributed capital	<u>122,649</u>	<u>122,649</u>
Accumulated deficit Unreserved	<u>(2,885)</u>	<u>(15,267)</u>
Total fund equity	<u>120,794</u>	<u>108,382</u>
Total Liabilities and Fund Equity	<u>\$ 126,670</u>	<u>\$ 115,615</u>

VILLAGE OF GROSSE TETE, LOUISIANA

General Fixed Assets Account Group

December 31, 1997

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Schedule of General Fixed Assets By Source December 31, 1997 and 1996
General Fixed Assets Account Group

General Assets, At Cost	1997	1996
Land	\$ 10,969	\$ 10,969
Buildings and improvements	134,911	196,521
Office equipment and furniture	18,688	18,688
Equipment	135,765	131,917
Vehicles	265,109	238,568
Park	22,788	22,788
Water lines and hydrants	7,802	7,802
	\$ 788,116	\$ 726,729
Investment In General Fixed Assets By Source		
Acquired prior to July 1, 1974*	\$ 70,372	\$ 70,372
Acquired after June 30, 1974 from general fund revenues	717,744	656,357
	\$ 788,116	\$ 726,729

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

VILLAGE OF GROSSE TETE, LOUISIANA

Other Supplementary Information

December 31, 1997

VILLAGE OF GROSSE TETE, LOUISIANA*Schedule of Insurance in Force*

December 31, 1997

Continued

Insurer	Coverage	Risk	Limits of Coverage	Expiration
Employer's Mutual Casualty Company	Police chief	Dishonesty	\$5,000	9/1/98
Employer's Mutual Casualty Company	Public employees	Dishonesty	\$10,000	9/1/98
Audubon Insurance Company	Vehicle fleet	Collision and comprehensive	ACTV	10/15/98
Louisiana Farm Bureau Mutual	All Village owned property	Fire and extended coverage	\$185,000	10/14/98
Louisiana Municipal Association Liability Program	All Village owned property and automobiles	Comprehensive general liability and automobile liability	Combined single limit \$500M	5/1/95
Louisiana Municipal Association	All employees	Workmen's compensation	Statutory	5/1/98
Louisiana Municipal Association	Law enforcement officers	Comprehensive liability	Combined single limit \$2,000M	5/1/98
Louisiana Municipal Association	Public officials	Frauds and embezzles	Combined single limit \$2,000M	5/1/98

VILLAGE OF GROSSE TETE, LOUISIANA*Schedule of Pay Dues**For the Year Ended December 31, 1997**Paid to Board Members*

Patry Barullo, Mayor	\$	9,000
Richard David, Alderman		3,000
Justia F. Hill, Alderman		3,800
Michael Charffe, Alderman		3,800
	\$	19,800



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members
of the Board of Aldermen
Village of Grasse Terre, Louisiana

We have audited the general purpose financial statements of the Village of Grasse Terre, Louisiana, as of and for the year ended December 31, 1997, and have issued our report thereon dated April 29, 1998. 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 Village of Grasse Terre, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 1 and 2.

Internal Control Over Financial Reporting

In planning and performing our audit we considered the Village of Grasse Terre, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village of

Grasso Tax, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings as items 3 and 4.

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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 3 to be a material weakness.

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

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.
April 29, 2008

VILLAGE OF GROSSE TETE, LOUISIANA*Schedule of Findings**Year Ended December 31, 1997*

As noted in the audit of the financial statements for the year ended December 31, 1996, findings 1 and 2 below are reported because they occurred in the latter part of 1996 and the early part of 1997. The findings were resolved as noted in management's response to finding number 1.

Finding 1.

Condition. Cash was collected for traffic tickets and not remitted.

Criteria. All cash received should be deposited in fact on a daily basis.

Cause. Police officers have apparently been collecting cash for violations and not remitting the cash and tickets in a timely manner.

Recommendation. All tickets should be turned in daily and police officers should not collect cash for violations.

Response. This finding was reported last year and the Louisiana Department of Justice, Investigation Division, conducted an investigation into the Grosse Tete Police Department. The investigators located evidence which identified Chief of Police Aubrey St. Angelo, Sr. collecting traffic fines totaling \$1,357 for 13 Village of Grosse Tete traffic citations written between February, 1997 and April, 1997. However, St. Angelo only remitted \$425 in Court costs to the Village of Grosse Tete.

St. Angelo has pled guilty to one count of malfeasance in office and agreed to make restitution of \$942 to the Village of Grosse Tete.

Finding 2.

Condition. The Chief of Police has dismissed fines on traffic tickets.

Criteria. The Louisiana Revised Statutes reserve this power to the Mayor in Mayor's Court.

Cause. The condition appears to have been caused because the Chief of Police thought he had the authority to dismiss fines.

Recommendation. Only the Mayor should dismiss traffic fines.

Response. This finding was also reported last year and was investigated as described in our response to finding number 1 above.

VILLAGE OF GROSSE TETE, LOUISIANA*Schedule of Findings, Continued**Four Ended December 31, 1997**Finding 1*

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

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

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

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

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

Response. This finding has also been reported in prior years. We recognize the problem and we perform supervisory reviews to mitigate the effect, however, based on the size of the Village, there is nothing else that we can do that is cost effective.

Finding 2

Condition. The Village has no policies or procedures in place to prevent personal use of public equipment or personnel.

Criteria. Article VII, Section 14 of the Louisiana Constitution prohibits any property or things of value from being loaned, pledged or granted to anyone for personal use.

Cause. Management has never considered the need for such policies or procedures prior to the investigation of the police department.

Recommendation. The Village should adopt policies and procedures to prevent the personal use of public equipment or personnel.

Response. Management is not aware of any compliance violations in connection with this matter other than those investigated by the Attorney General's Office in connection with the police department. Policies and procedures will be prepared to prohibit future violations.

VILLAGE OF GROSSE TETE, LOUISIANA

*Independent Auditor's Comments on
Resolution of Prior Audit Findings*

Year Ended December 31, 1997

The matters listed in the Schedule of Findings are repeats of prior year's findings. The other findings reported in the prior year have been satisfactorily resolved.



Letter
to:
Number:

From:
Date:

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

In planning and performing our audit of the financial statements of the Village of Grosse Tete, Louisiana for the year ended December 31, 1997, we considered the Village's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. We previously reported on the Village's internal control structure in our report dated April 29, 1998, on the financial statements of the Village of Grosse Tete, Louisiana.

We will review the status of this comment during our next audit engagement. Our comment and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations. Our comment is as follows:

Y2K Issues

As you may have noticed in the news, there is a lot of discussion regarding what has become known as the Y2K issue. Y2K refers to the year 2000 and the impact that it will have on computer systems and anything that relies on date sensitive computer chips. The federal government is attempting to make everyone aware of potential problems and management needs to consider the possible ramifications for the Village.

Management's responsibility requires them to take reasonable steps to ensure that the Village is prepared for the year 2000 date change and the Village will not be materially affected. Some of the risk implications of the year 2000 issue include:

- the substantial cost of updating or replacing information systems;
- insurers may require exclusions for losses/damages attributable to the year 2000 issue;
- operating losses or business failure, if there is extensive disruption to the Village's ability to conduct business because of a year 2000 problem;
- the ability of suppliers, customers and service providers to meet their obligations to the Village; and
- The potential for litigation and regulatory intervention.

Management needs to assess the impact on the Village and make plans to address these types of risks. Management also needs to consider any specific impacts on the financial statements. The review needs to encompass all Village operations, including other entities, if applicable.

We would be happy to assist you in assessing the impact of the year 2000 issues if you desire.

We wish to thank the Mayor and Clerk for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Aldermen, management, and others within the Village.

PROYOST, SALTER, HARPER & ALFORD, L.L.C.

Proyost, Salter, Harper & Alford, L.L.C.

April 23, 1998



Provident
Safety
Services

Income
Taxes

To the Board of Aldermen
Village of Greene Tote
Greene Tote, Louisiana

We have audited the general purpose financial statements of the Village of Greene Tote, Louisiana for the year ended December 31, 1997, and have issued our report thereon dated April 29, 1998. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Generally Accepted Auditing Standards And Government Auditing Standards

As stated in our engagement letter dated February 13, 1998 our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the general purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Village of Greene Tote, Louisiana. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Village of Greene Tote's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

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

Management Judgments and Accounting Estimates

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

Significant Audit Adjustments

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

Other Information in Documents Containing Audited Financial Statements

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

Disagreements With Management

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

Consultations With Other Accountants

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

Difficulties Encountered in Performing the Audit

We encountered some difficulties in auditing compliance with laws and regulations because of the problems in the police department. We also encountered some difficulties in recording the general ledger and classifying transactions in the proper fund.

Material Contingencies

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

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

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.,
April 29, 2008