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**VILLAGE OF  
GROSSE TETE, LOUISIANA**

**FINANCIAL REPORT**

**December 31, 1998**

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Release Date 7-28-99

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**Salter** Public  
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# VILLAGE OF GROSSE TETE, LOUISIANA

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*December 31, 1998*

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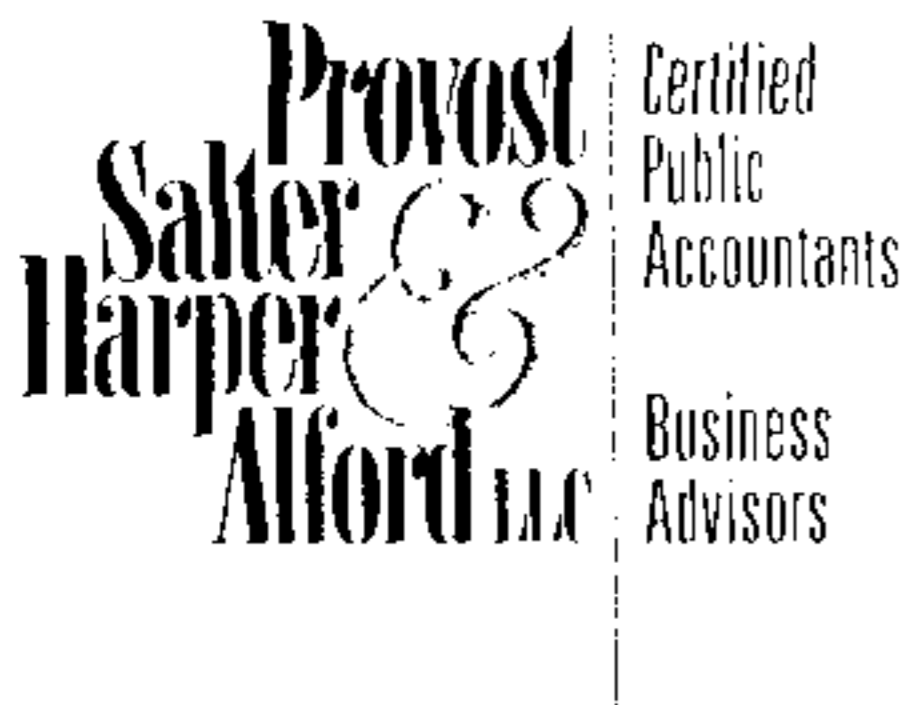
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## **INDEPENDENT AUDITOR'S REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

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

We have audited the accompanying general purpose financial statements of the Village of Grosse Tete, Louisiana, and the individual fund and account group financial statements of the Village as of and for the year ended December 31, 1998 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The Village of Grosse Tete, Louisiana has included such disclosures in Note 11. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Village of Grosse Tete, Louisiana's disclosures with respect to the year 2000 issue made in Note 11. Further, we do not provide assurance that the Village of Grosse Tete, Louisiana is or will be year 2000 ready, that the Village of Grosse Tete's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Village of Grosse Tete, Louisiana does business will be year 2000 ready.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Grosse Tete, Louisiana, at December 31, 1998, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Also, in our opinion, the individual fund and account group financial statements referred to above present fairly, in all material respects the financial position of each of the individual funds and account groups of the Village of Grosse Tete, Louisiana, at December 31, 1998, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles.

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

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

In accordance with *Government Auditing Standards*, we have also issued reports dated May 20, 1999 on our consideration of the Village of Grosse 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 Grosse Tete, Louisiana.

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

*Provost, Salter, Harper & Alford, L.L.C.*

May 20, 1999



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**VILLAGE OF GROSSE TETE, LOUISIANA**

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*General Purpose Financial Statements*

*December 31, 1998*

**VILLAGE OF GROSSE TETE, LOUISIANA**

**Combined Balance Sheet - All Fund Types and Account Groups**

December 31, 1998

ASSETS AND OTHER DEBITS	Governmental Fund Types						Proprietary Fund Type			Account Groups			Totals		
	General	Special Revenue	Special Revenue		Enterprise	Fixed Assets	Long-Term Debt	General	Fixed Assets	Long-Term Debt	General	Fixed Assets	Long-Term Debt	1998	1997
			General	Enterprise											
Cash and cash equivalents	\$ 78,195	\$ 12,882	\$ 19,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,347	\$ 108,509
Investments	203,544	50,592	6,736	-	-	-	-	-	-	-	-	-	-	260,872	283,029
Receivables (net of allowance for uncollectibles)															
Taxes	5,638	-	-	-	-	-	-	-	-	-	-	-	-	5,638	6,212
Accounts	-	-	9,316	-	-	-	-	-	-	-	-	-	-	9,316	10,946
Other	942	-	-	-	-	-	-	-	-	-	-	-	-	942	-
Intergovernmental	33,835	5,500	-	-	-	-	-	-	-	-	-	-	-	39,335	40,402
Property, plant and equipment (net where applicable of accumulated depreciation)	-	-	95,420	845,413	-	-	-	-	-	-	-	-	-	940,833	899,878
Due from other fund	12,829	-	-	-	-	-	-	-	-	-	-	-	-	12,829	4,236
Amount to be provided for retirement of general long term debt	-	-	-	-	-	-	-	-	64,303	-	-	-	-	64,303	93,381
<b>Total Assets And Other Debits</b>	<b>\$ 334,983</b>	<b>\$ 68,974</b>	<b>\$ 130,742</b>	<b>\$ 845,413</b>	<b>\$ 64,303</b>	<b>\$ 1,444,415</b>	<b>\$ 1,444,415</b>	<b>\$ 1,444,415</b>	<b>\$ 1,444,415</b>	<b>\$ 1,444,415</b>	<b>\$ 1,444,415</b>	<b>\$ 1,444,415</b>	<b>\$ 1,444,415</b>	<b>\$ 1,446,593</b>	<b>\$ 1,446,593</b>

**VILLAGE OF GROSSE TETE, LOUISIANA**

*Combined Balance Sheet - All Fund Types and Account Groups, Continued* December 31, 1998

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types					Proprietary Fund Type		Account Groups		Totals	
	General	Special Revenue	General	Fixed Assets	Long-Term Debt	Enterprise	General	Fixed Assets	Long-Term Debt	1998	(Memorandum Only) 1997
<b>Liabilities</b>											
Account and payroll taxes payable	\$ 47,846	\$ 1,785	\$ 4,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,125	\$ 18,688
Due to other fund	-	3,182	9,647	-	-	-	-	-	-	12,829	4,236
Capital leases payable	-	-	-	-	-	-	64,303	-	64,303	64,303	93,381
<b>Total liabilities</b>	<b>47,846</b>	<b>4,967</b>	<b>14,141</b>	<b>-</b>	<b>64,303</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131,257</b>	<b>116,305</b>	
<b>Equity And Other Credits</b>											
Investment in general fixed assets	-	-	-	845,413	-	-	-	-	-	845,413	798,116
Contributed capital	-	-	123,649	-	-	-	-	-	-	123,649	123,649
Accumulated deficit	-	-	(7,048)	-	-	-	-	-	-	(7,048)	(2,855)
Fund balances	-	64,007	-	-	-	-	-	-	-	64,007	63,597
Reserved for fire protection	-	-	-	-	-	-	-	-	-	-	-
Unreserved - undesignated	287,137	-	-	-	-	-	-	-	-	287,137	347,781
<b>Total equity and other credits</b>	<b>287,137</b>	<b>64,007</b>	<b>116,601</b>	<b>845,413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,313,158</b>	<b>1,330,288</b>	
<b>Total Liabilities, Equity And Other Credits</b>	<b>\$ 334,983</b>	<b>\$ 68,974</b>	<b>\$ 130,742</b>	<b>\$ 845,413</b>	<b>\$ 64,303</b>	<b>\$ 1,444,415</b>	<b>\$ 1,446,593</b>				



## VILLAGE OF GROSSE TETE, LOUISIANA

*Combined Statements of Revenues, Expenditures, and Changes in  
Fund Balances - All Governmental Fund Types*

*Year Ended December 31, 1998*

	General	Special Revenue	Totals (Memorandum Only)	
			1998	1997
<b>Revenues</b>				
Taxes	\$ 26,067	\$ -	\$ 26,067	\$ 26,285
Licenses and permits	23,644	-	23,644	27,640
Intergovernmental	306,269	76,990	383,259	413,976
Fines	15,419	-	15,419	156,554
Interest	11,820	3,783	15,603	10,765
Miscellaneous	3,961	-	3,961	17,114
<b>Total revenues</b>	<b>387,180</b>	<b>80,773</b>	<b>467,953</b>	<b>652,334</b>
<b>Expenditures</b>				
Current				
General government	101,441	-	101,441	119,750
Public safety	53,115	43,533	96,648	157,964
Highways and streets	100,283	-	100,283	99,971
Health	7,633	-	7,633	489
Culture and recreation	1,352	-	1,352	2,944
Capital outlay				
General government	6,867	-	6,867	14,046
Public safety	344	2,021	2,365	55,140
Culture and recreation	460	-	460	
Highways and streets	176,329	-	176,329	2,201
Debt Service				
Principal	-	29,078	29,078	27,204
Interest charges	-	5,731	5,731	7,650
<b>Total expenditures</b>	<b>447,824</b>	<b>80,363</b>	<b>528,187</b>	<b>487,359</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>(60,644)</b>	<b>410</b>	<b>(60,234)</b>	<b>164,975</b>
<b>Other Financing (Uses)</b>				
Operating transfers out	-	-	-	(26,000)
<b>Excess (Deficiency) Of Revenue And Other Financing Sources Over Expenditures And Other Financing (Uses)</b>	<b>(60,644)</b>	<b>410</b>	<b>(60,234)</b>	<b>138,975</b>
<b>Fund Balances</b>				
Beginning	347,781	63,597	411,378	272,403
Ending	\$ 287,137	\$ 64,007	\$ 351,144	\$ 411,378

**VILLAGE OF GROSSE TETE, LOUISIANA**

*Combined Statements of Revenues, Expenditures and Changes in*

*Year Ended December 31, 1998*

*Fund Balances - Budget and Actual*

*All Governmental Fund Types*

	General Fund			Special Revenue Fund			Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
<b>Revenues</b>							
Taxes	\$ 21,500	\$ 26,067	\$ 4,567	\$ -	\$ -	\$ -	
Franchise							
Licenses and permits							
Business	25,000	23,644	(1,356)	-	-	-	
Intergovernmental							
State shared revenues							
Video poker	80,000	97,982	17,982	-	-	-	
Tobacco tax	3,000	3,369	369	-	-	-	
Oil lease and royalties	1,800	1,791	(9)	-	-	-	
Highway maintenance	1,700	2,542	842	-	-	-	
Law enforcement	-	-	-	-	-	-	
Alcoholic beverage tax	1,500	1,725	225	-	-	-	
Iberville Parish shared revenues							
Sales and use tax	215,000	198,860	(16,140)	80,650	76,990	(3,660)	
Fines	15,000	15,419	419	-	-	-	
Interest	12,700	11,820	(880)	1,530	3,783	2,253	
Miscellaneous	1,500	3,961	2,461	-	-	-	
<b>Total Revenues</b>	<b>378,700</b>	<b>387,180</b>	<b>8,480</b>	<b>82,180</b>	<b>80,773</b>	<b>(1,407)</b>	

**VILLAGE OF GROSSE TETE, LOUISIANA**

*Combined Statements of Revenues, Expenditures and Changes in* **Year Ended December 31, 1998**

*Fund Balances - Budget and Actual*

*All Governmental Fund Types, Continued*

	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>Expenditures</b>					
Current					
General government	\$ 102,675	\$ 101,441	\$ -	\$ -	\$ -
Public safety	57,700	53,115	40,535	43,533	(2,998)
Highways and streets	102,225	100,283	-	-	-
Health	7,325	7,633	-	-	-
Culture and recreation	510	1,352	-	-	-
<b>Total current expenditures</b>	<b>270,435</b>	<b>263,824</b>	<b>40,535</b>	<b>43,533</b>	<b>(2,998)</b>
Capital outlay					
General government	6,000	6,867	-	-	-
Public safety	350	344	2,500	2,021	479
Culture and recreation	460	460	-	-	-
Highways and streets	176,046	176,329	-	-	-
<b>Total capital outlay</b>	<b>182,856</b>	<b>184,000</b>	<b>2,500</b>	<b>2,021</b>	<b>479</b>
Debt service					
Principal	-	-	29,000	29,078	(78)
Interest	-	-	6,511	5,731	780
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>35,511</b>	<b>34,809</b>	<b>702</b>
<b>Total Expenditures</b>	<b>453,291</b>	<b>447,824</b>	<b>78,546</b>	<b>80,363</b>	<b>(1,817)</b>

**VILLAGE OF GROSSE TETE, LOUISIANA**

*Year Ended December 31, 1998*

*Combined Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual All Governmental Fund Types, Continued*

	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (74,591)	\$ (60,644)	\$ 3,634	\$ 410	\$ (3,224)
Other Financing (Uses)	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(74,591)	(60,644)	3,634	410	(3,224)
Fund Balances					
Beginning	347,781	347,781	63,597	63,597	-
Ending	\$ 273,190	\$ 287,137	\$ 67,231	\$ 64,007	\$ (3,224)

**VILLAGE OF GROSSE TETE, LOUISIANA**

**Comparative Statements of Revenues, Expenses and Changes in Accumulated Deficit**  
**Proprietary Fund Type - Enterprise Fund**  
**Years Ended December 31, 1998 and 1997**

	1998	1997
<b>Operating Revenues</b>		
Charges for services		
Water sales	\$ 66,127	\$ 62,285
Service connection and other fees	10,905	11,130
Other operating revenue	1,371	1,920
<b>Total operating revenues</b>	<b>78,403</b>	<b>75,335</b>
<b>Operating Expenses</b>		
Salaries and wages	26,128	31,282
Depreciation	6,341	6,341
Tools and supplies	2,457	2,912
Repairs and maintenance	1,870	1,880
Postage, printing and office supplies	1,476	1,870
Insurance and bonds	5,415	7,553
Bad debts	1,265	950
Professional services	4,743	3,356
Sewer expenses	5,321	9,097
Shared cost - Water District 4	26,960	23,728
Miscellaneous	923	257
<b>Total operating expenses</b>	<b>82,899</b>	<b>89,226</b>
<b>Operating (Loss)</b>	<b>(4,496)</b>	<b>(13,891)</b>
<b>Nonoperating Revenues</b>		
Interest on investments	303	298
<b>(Loss) Before Operating Transfers</b>	<b>(4,193)</b>	<b>(13,593)</b>
Operating transfers in	-	26,000
<b>Net Income</b>	<b>(4,193)</b>	<b>12,407</b>
<b>Accumulated (Deficit)</b>		
Beginning	(2,855)	(15,262)
Ending	<b>\$ (7,048)</b>	<b>\$ (2,855)</b>



**VILLAGE OF GROSSE TETE, LOUISIANA**

*Comparative Statements of Cash Flows*

*Years Ended December 31, 1998 and 1997*

*Proprietary Fund Type - Enterprise Fund*

	1998	1997
<b>Reconciliation of Operating (Loss) to Net Cash (Used In)</b>		
<b>Operating Activities</b>		
Operating (loss)	\$ (4,496)	\$ (13,891)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities		
Depreciation	6,341	6,341
Provision for doubtful accounts	1,265	950
Change in assets and liabilities		
Increase (decrease) in due to other funds	5,555	1,369
(Increase) in accounts receivable	(576)	(2,100)
Increase (decrease) in accounts payable and accrued expenses	2,710	(761)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>10,799</b>	<b>(8,092)</b>
<b>Cash Flows From Investing Activities</b>		
Interest on investments	303	298
<b>Cash Flows From Capital and Related Financing Activities</b>		
Purchase of capital assets	-	(10,646)
<b>Cash Flows From Non-Capital Financing Activities</b>		
Operating transfers in	-	26,000
<b>Increase In Cash And Cash Equivalents</b>	<b>11,102</b>	<b>7,560</b>
<b>Cash And Cash Equivalents</b>		
Beginning	8,168	608
Ending	<b>\$ 19,270</b>	<b>\$ 8,168</b>

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# VILLAGE OF GROSSE TETE, LOUISIANA

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*Notes to Financial Statements*

*December 31, 1998*

## 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.

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## VILLAGE OF GROSSE TETE, LOUISIANA

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*Notes to Financial Statements, Continued*

*December 31, 1998*

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 moneys (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.



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## VILLAGE OF GROSSE TETE, LOUISIANA

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*Notes to Financial Statements, Continued*

*December 31, 1998*

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 expenditures 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".

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

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## VILLAGE OF GROSSE TETE, LOUISIANA

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*Notes to Financial Statements, Continued*

*December 31, 1998*

**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 immovable and of value only to the Village.

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

**Compensated Absences.** Vacation and sick leave benefits must be taken in the year earned and no carryover of unused leave is allowed. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting 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 appropriable for expenditure 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 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 residual equity transfers. All other interfund transfers are reported as operating transfers.



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# VILLAGE OF GROSSE TETE, LOUISIANA

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*Notes to Financial Statements, Continued*

*December 31, 1998*

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

## **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 10 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, 1998

- 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

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, 1998	Bank Balance	Category			Carrying Amount
		1	2	3	
Deposits	\$ 107,195	\$ 100,000	\$ -	\$ 7,195	\$ 110,264
Certificates of deposit	260,872	100,000	-	160,872	260,872
Cash on hand	-	-	-	-	83
Total cash	\$ 368,067	\$ 200,000	\$ -	\$ 168,067	\$ 371,219

# VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1998

## 4. Receivables

Receivables at December 31, 1998, consist of the following.

	General	Special Revenue	Enterprise	Total
Receivables				
Taxes	\$ 5,638	\$ -	\$ -	\$ 5,638
Accounts	942	-	10,099	11,041
Intergovernmental	33,835	5,500	-	39,335
Gross receivables	40,415	5,500	10,099	56,014
Less allowance for uncollectible	-	-	783	783
Net total receivables	\$ 40,415	\$ 5,500	\$ 9,316	\$ 55,231

## 5. Fixed Assets

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

	Balance December 31, 1997	Additions	Retirements	Balance December 31, 1998
Land	\$ 10,969	\$ -	\$ -	\$ 10,969
Buildings	234,511	-	-	234,511
Improvements other than buildings	30,082	825	-	30,907
Equipment	522,554	46,472	-	569,026
Total	\$ 798,116	\$ 47,297	\$ -	\$ 845,413

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

	1998
Water system	\$ 258,010
Less accumulated depreciation	162,590
Net fixed assets	\$ 95,420

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# VILLAGE OF GROSSE TETE, LOUISIANA

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Notes to Financial Statements, Continued

December 31, 1998

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

	Years
Water system	33-50
Equipment	3-10

## 6. Interfund Assets/Liabilities

Due from/to other funds.

Receivable Fund	Payable Fund	Amount
General	Enterprise	\$ 9,647
General	Special	3,182
		<u>\$ 12,829</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, 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809, or by calling (225) 925-4810.

*Funding Policy.* Plan members are required by state statute to contribute 9¼% of their annual covered salary and employers are required to contribute at an actuarially determined rate. The current employer rate is 6¼% 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, 1998, 1997 and 1996, were \$3,753, \$3,840, and \$3,621, respectively, and were equal to the required contributions for each year.



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# VILLAGE OF GROSSE TETE, LOUISIANA

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Notes to Financial Statements, Continued

December 31, 1998

## 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, 8401 United Plaza Boulevard, Suite 270, Baton Rouge, Louisiana, 70809, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7½% 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, 1998, 1997 and 1996 were \$1,057, \$4,353, and \$4,353, 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 \$35,571. The payments bear interest at 6.89%. 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, 1998.

	<b>General Fixed Assets</b>
Fire truck	\$ 212,962



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## VILLAGE OF GROSSE TETE, LOUISIANA

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*Notes to Financial Statements, Continued*

*December 31, 1998*

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, 1998.

	<b>General Long Term Debt</b>
1999	\$ 35,511
2000	<u>35,511</u>
Total minimum lease payments	71,022
Less amount representing interest	<u>6,719</u>
Present value of future minimum lease payments	<u>\$ 64,303</u>

### 10. Prior Year Amounts

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

### 11. Year 2000 Readiness

The Village of Grosse Tete, Louisiana has assessed its systems in anticipation of the year 2000 as it relates to its computer systems and other electronic equipment. The year 2000 issue refers to the fact that many computer programs use only the last two digits to refer to a year. Therefore, both 1900 and 2000 would be referred to as "00". Computer programs have to be adjusted to recognize the difference between those two years or the program will fail or create errors. Also, some programs may not be able to recognize that 2000 is a leap year. Further, the year 2000 issue could affect electronic equipment – such as environmental systems and vehicles containing computer chips that have date recognition features.

The Village has identified various computer systems and pieces of electronic equipment that are critical to conducting the Village's operations and that need to be year 2000 compliant. The Village is assigning resources to remediate those systems that need to be repaired. The cost of repairs and resources needed have been immaterial to date and are not expected to be material to future operations.

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**VILLAGE OF GROSSE TETE, LOUISIANA**

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*Supplementary Information*

*December 31, 1998*

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**VILLAGE OF GROSSE TETE, LOUISIANA**

*Individual Fund and Account Group Statements and Schedules*

*December 31, 1998*

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## **VILLAGE OF GROSSE TETE, LOUISIANA**

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*General Fund*

*December 31, 1998*

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 Sheets  
General Fund**

**December 31, 1998 and 1997**

<b>ASSETS</b>	<b>1998</b>	<b>1997</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 78,195	\$ 68,197
Investments	203,544	247,235
Receivables		
Other	942	942
Taxes	5,638	6,212
Intergovernmental	33,835	35,102
Due from other fund	12,829	4,236
<b>Total Assets</b>	<b>\$ 334,983</b>	<b>\$ 361,924</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts and payroll taxes payable	\$ 47,846	\$ 14,143
<b>Fund Balance</b>		
Unreserved - undesignated	287,137	347,781
<b>Total Liabilities and Fund Balance</b>	<b>\$ 334,983</b>	<b>\$ 361,924</b>



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

December 31, 1998 and 1997

	1998	1997
<b>Revenues</b>		
Taxes	\$ 26,067	\$ 26,285
Licenses and permits	23,644	27,640
Intergovernmental	306,269	329,605
Fines	15,419	156,554
Interest	11,820	8,232
Miscellaneous	3,961	17,114
<b>Total Revenues</b>	<b>387,180</b>	<b>565,430</b>
<b>Expenditures</b>		
Current		
General government	101,441	119,750
Public safety	53,115	117,899
Highways and streets	100,283	99,971
Health	7,633	489
Culture and recreation	1,352	2,944
<b>Total current expenditures</b>	<b>263,824</b>	<b>341,053</b>
Capital outlay		
General government	6,867	14,046
Public safety	344	45,890
Highways and streets	176,789	2,201
<b>Total capital outlay</b>	<b>184,000</b>	<b>62,137</b>
<b>Total Expenditures</b>	<b>447,824</b>	<b>403,190</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(60,644)</b>	<b>162,240</b>
<b>Other Financing (Uses)</b>		
Operating transfers out	-	(26,000)
<b>Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures And Other Financing (Uses)</b>	<b>(60,644)</b>	<b>136,240</b>
<b>Fund Balance</b>		
Beginning	347,781	211,541
Ending	\$ 287,137	\$ 347,781

**VILLAGE OF GROSSE TETE, LOUISIANA**

*Comparative Statements of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - General Fund*

December 31, 1998 and 1997

	1998			1997			Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
<b>Revenues</b>							
Taxes							
Franchise	\$ 21,500	\$ 26,067	\$ 4,567	\$ 21,575	\$ 26,285	\$ 4,710	
Licenses and permits							
Business	25,000	23,644	(1,356)	26,000	27,640	1,640	
Intergovernmental							
State shared revenues							
Video poker	80,000	97,982	17,982	93,000	99,886	6,886	
Tobacco tax	3,000	3,369	369	3,030	3,369	339	
Alcoholic beverage tax	1,500	1,725	225	1,500	1,672	172	
Oil lease and royalties	1,800	1,791	(9)	1,790	1,787	(3)	
Highway maintenance	1,700	2,542	842	1,695	1,695	-	
Law enforcement	-	-	-	1,200	1,203	3	
Iberville Parish shared revenues							
Sales and use tax	215,000	198,860	(16,140)	226,000	219,993	(6,007)	
Fines	15,000	15,419	419	155,000	156,554	1,554	
Interest	12,700	11,820	(880)	9,150	8,232	(918)	
Miscellaneous	1,500	3,961	2,461	26,000	17,114	(8,886)	
<b>Total Revenues</b>	<b>378,700</b>	<b>387,180</b>	<b>8,480</b>	<b>565,940</b>	<b>565,430</b>	<b>(510)</b>	

**VILLAGE OF GROSSE TETE, LOUISIANA**

*Comparative Statements of Revenues, Expenditures and Changes in Fund Balance*

*December 31, 1998 and 1997*

*Budget and Actual - General Fund, Continued*

	1998		1997		Variance Favorable (Unfavorable)	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
<b>Expenditures</b>						
Current						
General government	\$ 102,675	\$ 101,441	\$ 1,234	\$ 119,235	\$	\$ (515)
Public safety	57,700	53,115	4,585	134,535		16,636
Highways and streets	102,225	100,283	1,942	110,525		10,554
Health	7,325	7,633	(308)	2,525		2,036
Culture and recreation	510	1,352	(842)	3,600		656
Total current expenditures	270,435	263,824	6,611	370,420		29,367
Capital outlay						
General government	6,000	6,867	(867)	38,000		23,954
Public safety	350	344	6	45,890		-
Culture and recreation	460	460	-	-		-
Highways and streets	176,046	176,329	(283)	2,700		499
Total capital outlay	182,856	184,000	(1,144)	86,590		24,453
<b>Total Expenditures</b>	453,291	447,824	5,467	457,010		53,820
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(74,591)	(60,644)	13,947	108,930		53,310
<b>Other Financing (Uses)</b>						
Operating transfers out	-	-	-	(26,000)		-
<b>Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing (Uses)</b>	(74,591)	(60,644)	13,947	82,930		53,310
<b>Fund Balance</b>						
Beginning	347,781	347,781	-	211,541		-
Ending	\$ 273,190	\$ 287,137	\$ 13,947	\$ 294,471	\$	\$ 53,310

**VILLAGE OF GROSSE TETE, LOUISIANA**

*Comparative Schedule of Expenditures Compared to Budget  
General Fund*

Years Ended December 31, 1998 and 1997

	1998		1997		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>Current</b>					
General government					
Salaries	\$ 30,700	\$ 34,074	\$ (3,374)	\$ 36,282	\$ 238
Per diem	7,500	8,100	(600)	10,800	3,600
Convention, meals and travel	6,500	5,881	619	8,965	(865)
Professional fees	30,000	22,413	7,587	24,161	339
Insurance and bonds	5,600	4,441	1,159	11,018	1,402
Telephone and utilities	8,500	6,774	1,726	7,817	(317)
Postage, printing and office supplies	2,000	2,126	(126)	2,949	276
Dues and subscriptions	750	845	(95)	607	93
Official journal	1,550	1,787	(237)	1,121	9
Miscellaneous	8,000	13,941	(5,941)	14,060	(3,720)
Uniforms	175	156	19		
Building maintenance	1,400	903	497	400	(1,570)
<b>Total general government</b>	<b>102,675</b>	<b>101,441</b>	<b>1,234</b>	<b>119,235</b>	<b>(515)</b>
Public safety					
Police department					
Salaries	22,800	22,796	4	57,255	3,895
Retirement	350	610	(260)	4,375	7,525
Uniforms	1,600	242	1,358	2,648	(1,248)
Vehicle expense	3,500	3,588	(88)	12,999	301
Telephone	4,000	4,162	(162)	3,171	4
Tools and supplies	400	443	(43)	5,588	1,062
Miscellaneous	8,050	8,276	(226)	11,640	3,480
Insurance and bonds	17,000	12,998	4,002	20,223	1,617
<b>Total police department</b>	<b>57,700</b>	<b>53,115</b>	<b>4,585</b>	<b>117,899</b>	<b>16,636</b>
<b>Total public safety</b>	<b>57,700</b>	<b>53,115</b>	<b>4,585</b>	<b>117,899</b>	<b>16,636</b>



**VILLAGE OF GROSSE TETE, LOUISIANA**

*Comparative Schedule of Expenditures Compared to Budget, Continued  
General Fund*

Years Ended December 31, 1998 and 1997

	1998		1997		Variance Favorable (Unfavorable)	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Highways and streets						
Labor	\$ 58,175	\$ 56,358	\$ 1,817	\$ 57,001	\$	\$ 11,249
Street lights	17,000	16,010	990	11,785		215
Equipment operations	4,600	5,201	(601)	9,179		821
Street material, tools and supplies	3,500	4,863	(1,363)	7,717		(692)
Insurance	12,500	11,353	1,147	9,970		(1,245)
Miscellaneous	5,250	5,331	(81)	3,545		230
Telephone and utilities	1,200	1,167	33	774		(24)
Total highways and streets	102,225	100,283	1,942	99,971		10,554
Health						
Dog pound	7,000	7,470	(470)	-		2,200
Health service	325	163	162	489		(164)
Total health	7,325	7,633	(308)	489		2,036
Culture and recreation						
Miscellaneous	510	1,352	(842)	2,944		656
<b>Total Current Expenditures</b>	270,435	263,824	6,611	341,053		29,367
Capital Outlay						
General government	6,000	6,867	(867)	14,046		23,954
Public safety - police	350	344	6	45,890		-
Culture and recreation	460	460	-	-		-
Highways and streets	176,046	176,329	(283)	2,201		499
<b>Total Capital Outlay Expenditures</b>	182,856	184,000	(1,144)	62,137		24,453
<b>Total Expenditures</b>	\$ 453,291	\$ 447,824	\$ 5,467	\$ 403,190		\$ 53,820

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## **VILLAGE OF GROSSE TETE, LOUISIANA**

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### ***Special Revenue Fund***

***December 31, 1998***

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, 1998 and 1997*

*Volunteer Fire District Special Revenue Fund*

<b>ASSETS</b>	<b>1998</b>	<b>1997</b>
<b>Assets</b>		
Cash	\$ 12,882	\$ 32,144
Investments	50,592	29,058
Due from other governments	5,500	5,300
<b>Total Assets</b>	<b>\$ 68,974</b>	<b>\$ 66,502</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 186	\$ 505
Due to other funds	3,182	144
Payroll taxes	46	-
Accrued expense	1,553	2,256
<b>Total liabilities</b>	<b>4,967</b>	<b>2,905</b>
<b>Fund Balance</b>		
Reserved for fire protection	64,007	63,597
<b>Total fund balance</b>	<b>64,007</b>	<b>63,597</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 68,974</b>	<b>\$ 66,502</b>

**VILLAGE OF GROSSE TETE, LOUISIANA**

**Comparative Statements of Revenues, Expenditures  
and Changes in Fund Balance**

**December 31, 1998 and 1997**

**Volunteer Fire District Special Revenue Fund**

	1998	1997
<b>Revenues</b>		
Intergovernmental		
Iberville Parish operating grant	\$ 76,990	\$ 84,371
Interest on investments	3,783	2,533
	<hr/>	<hr/>
Total revenues	80,773	86,904
	<hr/>	<hr/>
<b>Expenditures</b>		
Current		
Public safety - fire	43,533	40,065
Capital outlays	2,021	9,250
Debt service		
Principal	29,078	27,204
Interest	5,731	7,650
	<hr/>	<hr/>
Total expenditures	80,363	84,169
	<hr/>	<hr/>
<b>Excess of Revenues Over Expenditures</b>	410	2,735
<b>Fund Balance</b>		
Beginning	63,597	60,862
	<hr/>	<hr/>
Ending	\$ 64,007	\$ 63,597
	<hr/>	<hr/>



**VILLAGE OF GROSSE TETE, LOUISIANA**

**Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Years Ended December 31, 1998 and 1997**  
**Volunteer Fire Department Special Revenue Fund**

	1998		1997		Variance Favorable (Unfavorable)	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
<b>Revenues</b>						
Intergovernmental						
Iberville Parish shared revenue	\$ 80,650	\$ 76,990	\$ (3,660)	\$ 84,371	\$	\$ (4,159)
Interest on investments	1,530	3,783	2,253	2,533	880	1,653
<b>Total Revenues</b>	<b>82,180</b>	<b>80,773</b>	<b>(1,407)</b>	<b>86,904</b>	<b>89,410</b>	<b>(2,506)</b>
<b>Expenditures</b>						
Current						
Public safety - fire department						
Insurance	12,000	11,365	635	12,637	14,875	2,238
Dues and subscriptions	200	186	14	685	820	135
Expense account	-	-	-	100	120	20
Miscellaneous	750	2,571	(1,821)	1,363	1,245	(118)
Maintenance	2,200	2,037	163	6,849	7,722	873
Professional service	-	2,982	(2,982)	1,554	1,865	311
Salaries	2,960	3,175	(215)	-	-	-
Supplies	5,225	5,697	(472)	12,347	14,215	1,868
Utilities	17,200	15,520	1,680	4,530	1,160	(3,370)
<b>Total public safety</b>	<b>40,535</b>	<b>43,533</b>	<b>(2,998)</b>	<b>40,065</b>	<b>42,022</b>	<b>1,957</b>
Capital outlay	2,500	2,021	479	9,250	11,100	1,850
Debt service						
Principal	29,000	29,078	(78)	27,204	27,205	1
Interest	6,511	5,731	780	7,650	7,650	-
<b>Total debt service</b>	<b>35,511</b>	<b>34,809</b>	<b>702</b>	<b>34,854</b>	<b>34,855</b>	<b>1</b>
<b>Total Expenditures</b>	<b>78,546</b>	<b>80,363</b>	<b>(1,817)</b>	<b>84,169</b>	<b>87,977</b>	<b>3,808</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,634</b>	<b>410</b>	<b>(3,224)</b>	<b>2,735</b>	<b>1,433</b>	<b>1,302</b>
<b>Fund Balance</b>						
Beginning	63,597	63,597	-	60,862	60,863	1
Ending	\$ 67,231	\$ 64,007	\$ (3,224)	\$ 63,597	\$ 62,296	\$ 1,303

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## **VILLAGE OF GROSSE TETE, LOUISIANA**

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### *Enterprise Fund*

*December 31, 1998*

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 Sheets Enterprise Fund

December 31, 1998 and 1997

ASSETS	1998	1997
<b>Current Assets</b>		
Cash	\$ 19,270	\$ 8,168
Investments	6,736	6,736
Accounts receivable, net of allowance for uncollectibles; 1998, \$783; 1997, \$600.	9,316	10,004
Total current assets	<u>35,322</u>	<u>24,908</u>
<b>Plant And Equipment</b> , at cost, net of accumulated depreciation; 1998, \$162,590; 1997, \$155,645.	<u>95,420</u>	<u>101,762</u>
<b>Total Assets</b>	<u><u>\$ 130,742</u></u>	<u><u>\$ 126,670</u></u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 4,494	\$ 1,784
Due to other funds	9,647	4,092
Total current liabilities	<u>14,141</u>	<u>5,876</u>
<b>Fund Equity</b>		
Contributed capital	123,649	123,649
Accumulated deficit Unreserved	<u>(7,048)</u>	<u>(2,855)</u>
Total fund equity	<u>116,601</u>	<u>120,794</u>
<b>Total Liabilities and Fund Equity</b>	<u><u>\$ 130,742</u></u>	<u><u>\$ 126,670</u></u>

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**VILLAGE OF GROSSE TETE, LOUISIANA**

*General Fixed Assets Account Group*

*December 31, 1998*



**VILLAGE OF GROSSE TETE, LOUISIANA****Comparative Schedule of General Fixed Assets By Source  
General Fixed Assets Account Group****December 31, 1998 and 1997**

<b>General Assets, At Cost</b>	<b>1998</b>	<b>1997</b>
Land	\$ 10,969	\$ 10,969
Buildings and improvements	234,511	234,511
Office equipment and furniture	25,244	18,680
Equipment	175,213	135,765
Vehicles	368,109	368,109
Park	23,239	22,780
Water lines and hydrants	8,128	7,302
	<u>845,413</u>	<u>798,116</u>
Total general assets, at cost	\$ 845,413	\$ 798,116
<b>Investment In General Fixed Assets By Source</b>		
Acquired prior to July 1, 1974*	\$ 70,372	\$ 70,372
Acquired after June 30, 1974 from general fund revenues	775,041	727,744
	<u>845,413</u>	<u>798,116</u>
Total investment in general fixed assets by source	\$ 845,413	\$ 798,116

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

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**VILLAGE OF GROSSE TETE, LOUISIANA**

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*Other Supplementary Information*

*December 31, 1998*

## VILLAGE OF GROSSE TETE, LOUISIANA

*Schedule of Insurance in Force* *December 31, 1998*

*Unaudited*

Insurer	Coverage	Risk	Limits of Coverage	Expiration
Employer's Mutual Casualty Company	Public employees and Police Chief	Dishonesty	\$10,000	9/7/99
Audubon Insurance Company	Vehicle fleet	Collision and comprehensive	ACV	10/19/99
Louisiana Farm Bureau Mutual	All Village owned property	Fire and extended coverage	\$188,200	1/24/99
Louisiana Municipal Association Liability Program	All Village owned property and automobiles	Comprehensive general liability and automobile liability	Combined single limit \$500M	5/2/99
Louisiana Municipal Association	All employees	Workers' compensation	Statutory	1/1/99
Louisiana Municipal Association	Law enforcement officers	Comprehensive liability	Combined single limit \$500M	5/2/99
Louisiana Municipal Association	Public officials	Errors and omissions	Combined single limit \$500M	5/2/99

**VILLAGE OF GROSSE TETE, LOUISIANA**

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*Schedule of Per Diem*

*For the Year Ended December 31, 1998*

*Paid to Board Members*

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Philip Sarullo, Mayor	\$ 9,000
Richard David, Alderman	3,600
Juanita J. Hill, Alderman	3,600
Michael Chauffe, Alderman	3,600
	<hr/>
	\$ 19,800
	<hr/>

**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 Grosse Tete, Louisiana

We have audited the general purpose financial statements of the Village of Grosse Tete, Louisiana, as of and for the year ended December 31, 1998, and have issued our report thereon dated May 20, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village of Grosse Tete, 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 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 Village of Grosse Tete, 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 Grosse Tete, 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 1 and 2.



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 1 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.*

May 20, 1999

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**VILLAGE OF GROSSE TETE, LOUISIANA**

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*Schedule of Findings*

*Year Ended December 31, 1998*

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.

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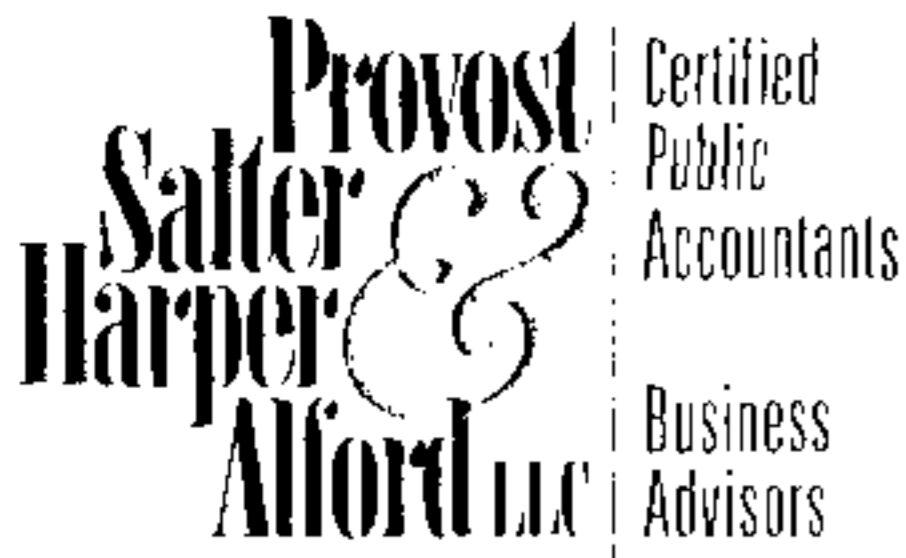
## **VILLAGE OF GROSSE TETE, LOUISIANA**

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

*Year Ended December 31, 1998*

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.



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

We have audited the general purpose financial statements of the Village of Grosse Tete, Louisiana for the year ended December 31, 1998, and have issued our report thereon dated May 20, 1999. 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 Date, 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 Grosse Tete, 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 Grosse Tete'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.

### **Consultation With Other Accountants**

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

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing our audit.



*Material Contingencies*

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

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

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

*Provost, Salter, Harper & Alford, L.L.C.*

May 20, 1999

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, 1998, 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 May 20, 1999, 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.

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

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

May 20, 1999