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ANNUAL FINANCIAL REPORT  
OF THE  
TOWN OF GRAND COTEAU, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 1998

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**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
 (1904-1984)

Harold Dupre, CPA  
 Retired

INDEPENDENT AUDITOR'S REPORT

The Honorable Mary Murray, Mayor  
 and Members of the Board of Aldermen  
 Town of Grand Coteau, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Grand Coteau, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because of the inadequacy of accounting records on general fixed assets, we were unable to form an opinion regarding the amounts at which the General Fixed Assets Account Group are recorded in the accompanying balance sheet at June 30, 1998 (stated at \$650,034). The general fixed assets records are not complete as to the cost or estimated cost for individual fixed assets, and this precluded the application of sufficient audit tests necessary for us to satisfy ourselves as to the valuation of general fixed assets. Also, Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures About Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue. The Town of Grand Coteau, Louisiana has included such disclosures in Note 22. 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 Town of Grand Coteau's disclosures with respect to the year 2000 issue made in Note 21. Further, we do not provide assurance that the Town of Grand Coteau is or will be year 2000 ready, that the Town of Grand Coteau's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town of Grand Coteau does business will be year 2000 ready.

The Honorable Mary Murray, Mayor  
and Members of the Board of Aldermen  
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In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the accounting records of the General Fixed Assets Account Group been adequate, or had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Grand Coteau, Louisiana, as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund types for the year ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 30, 1998, on our consideration of the Town of Grand Coteau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Town of Grand Coteau, Louisiana, taken as a whole. The combining and individual fund and account group financial statements and schedules for the years ended June 30, 1998 and 1997, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Grand Coteau, Louisiana. Such information, except for the Schedule of Insurance in Force marked "unaudited," and the financial statements presented in the General Fixed Assets Account Group, on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*John S. Jauling & Company*

Opelousas, Louisiana  
November 30, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF GRAND COTEAU, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1998

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE ENTERPRISE	FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS			GENERAL ASSETS	GENERAL LONG-TERM DEBT	1998	
<u>ASSETS</u>										
Cash	\$42,149	\$55,621		\$184	\$95,380	\$4,796			\$198,130	\$206,071
Investments					819				819	779
Receivables, net of allowances for uncollectibles										
Taxes	676								676	410
Accounts	8,751				43,536				52,287	41,227
Intergovernmental	39,561								39,561	112,103
Other	86		94						180	1,238
Accrued interest					101				101	98
Prepaid insurance					9,555				9,555	8,673
Due from other funds		375			5,825	12,517			43,807	38,905
Restricted assets	25,090									
Cash										
Investments					82,811				82,811	75,452
Property, plant, and equipment, net of accumulated depreciation					48,407				48,407	46,061
Amount to be provided for retirement of general long-term debt					2,818,266			\$650,034	3,468,300	3,537,830
									\$41,511	47,261
<u>Total assets</u>	<u>116,313</u>	<u>55,996</u>	<u>-0-</u>	<u>278</u>	<u>3,104,700</u>	<u>17,313</u>	<u>650,034</u>	<u>41,511</u>	<u>2,986,145</u>	<u>4,116,108</u>

This statement continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)  
 JUNE 30, 1998

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE ENTERPRISE	FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY) 1998	TOTALS (MEMORANDUM ONLY) 1997
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS			GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
<u>LIABILITIES</u>										
Accounts payable	\$10,584				\$4,785	\$15,334		\$15,369	\$98,611	
Accrued expenses								15,334	4,390	
Payable from restricted assets										
Accrued interest					9,151			9,151	8,761	
Revenue bonds					6,074			6,074	6,063	
Customers' deposits					38,812			38,812	37,092	
Due to other funds				\$100	31,475	1,979		43,807	38,905	
Long-term debt										
Revenue bond payable					530,379			530,379	536,829	
Notes payable								\$33,702	33,702	46,161
Capital leases payable								7,809	7,809	1,100
<u>Total liabilities</u>	<u>20,837</u>	<u>-0-</u>	<u>-0-</u>	<u>100</u>	<u>620,676</u>	<u>17,313</u>	<u>-0-</u>	<u>700,437</u>	<u>777,912</u>	
<u>FUND EQUITY</u>										
Contributed capital					2,637,879			2,637,879	2,637,879	
Investment in general fixed assets								\$650,034	650,034	620,248
Retained earnings										
Reserved					77,181			77,181	69,597	
Unreserved					(231,036)			(231,036)	(127,002)	
Fund Balance				178					178	91
Reserved										
Unreserved										
Undesignated	95,476	\$55,996	-0-	178		-0-		151,472	137,383	
<u>Total fund equity</u>	<u>95,476</u>	<u>55,996</u>	<u>-0-</u>	<u>178</u>	<u>2,484,024</u>	<u>-0-</u>	<u>650,034</u>	<u>3,285,708</u>	<u>3,338,196</u>	
<u>Total liabilities and fund equity</u>	<u>116,313</u>	<u>55,996</u>	<u>-0-</u>	<u>278</u>	<u>3,104,700</u>	<u>17,313</u>	<u>650,034</u>	<u>41,511</u>	<u>3,986,145</u>	<u>4,116,108</u>

The accompanying notes are an integral part of these statements.



TOWN OF GRAND COTEAU, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 YEAR ENDED JUNE 30, 1998

	GOVERNMENTAL FUND TYPES				TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	1998	(MEMORANDUM ONLY) 1997
<u>REVENUES</u>						
Taxes	\$50,392	\$58,603			\$108,995	\$95,706
Licenses and permits	26,567				26,567	36,458
Intergovernmental	173,346			\$46,481	219,827	424,703
Fines and forfeits	53,821				53,821	29,008
Miscellaneous revenues	32,760	28		134	32,922	22,696
Total revenues	336,886	58,631	-0-	46,615	442,132	608,571
<u>EXPENDITURES</u>						
Current						
Executive and administrative	127,093	586			127,679	90,112
Street department	75,538				75,538	69,786
Police department	191,924				191,924	165,391
Fire department	19,054				19,054	16,003
Park department	1,076				1,076	816
Capital projects				46,528	46,528	240,183
Debt service						
Principal retirement					12,459	12,034
Interest					3,552	4,710
Capital lease payments					1,404	1,272
Total expenditures	414,685	586		46,528	479,214	600,307
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	100,147				117,562	85,859
Operating transfers out	(20,270)	(44,943)			(65,213)	(47,816)
Total other financing sources (uses)	79,877	(44,943)	17,415	-0-	52,349	38,043

This statement continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES (CONTINUED)  
YEAR ENDED JUNE 30, 1998

	GOVERNMENTAL FUND TYPES				TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	1998	(MEMORANDUM ONLY) 1997
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	\$2,078	\$13,102		\$87	\$15,267	\$46,307
<u>FUND BALANCE, beginning of year</u>	93,398	42,894		91	136,383	89,722
Prior period adjustment	—	—	—	—	—	354
<u>FUND BALANCE, end of year</u>	<u>95,476</u>	<u>55,996</u>	<u>-0-</u>	<u>178</u>	<u>151,650</u>	<u>136,383</u>

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
GENERAL AND SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 1998

	GENERAL FUND		SPECIAL REVENUE FUNDS		TOTAL	
	BUDGET	ACTUAL	BUDGET	ACTUAL	(Memorandum Only) 1998 ACTUAL	1997 ACTUAL
<u>REVENUES</u>						
Taxes	\$46,666	\$50,392	\$47,123	\$58,603	\$108,995	\$95,706
Licenses and permits	26,386	26,567			26,567	36,458
Intergovernmental	180,462	173,346			173,346	184,530
Fines and forfeits	51,394	53,821			53,821	29,008
Miscellaneous	14,944	32,760	25	28	32,788	22,596
Total revenues	<u>319,852</u>	<u>336,886</u>	<u>47,148</u>	<u>58,631</u>	<u>395,517</u>	<u>368,398</u>
<u>EXPENDITURES</u>						
Current						
Executive and administrative	99,341	127,093	471	586	127,679	90,112
Street department	66,435	75,538			75,538	69,786
Police department	187,285	191,924			191,924	165,391
Fire department	20,084	19,054			19,054	16,003
Park department	686	1,076			1,076	816
Total expenditures	<u>373,831</u>	<u>414,685</u>	<u>471</u>	<u>586</u>	<u>415,271</u>	<u>342,108</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	79,040	100,147			100,147	67,843
Operating transfers out	(16,927)	(20,270)	(48,346)	(44,943)	(65,213)	(47,816)
Total other financing sources (uses)	<u>62,113</u>	<u>79,877</u>	<u>(48,346)</u>	<u>(44,943)</u>	<u>34,934</u>	<u>20,027</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	<u>8,134</u>	<u>2,078</u>	<u>(1,669)</u>	<u>13,102</u>	<u>15,180</u>	<u>46,317</u>
<u>FUND BALANCE, beginning of year</u>		93,398		42,894	136,292	89,621
Prior period adjustment						354
<u>FUND BALANCE, end of year</u>		<u>95,476</u>		<u>55,996</u>	<u>151,472</u>	<u>136,292</u>

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED JUNE 30, 1998

	<u>1998</u>	<u>(MEMORANDUM ONLY)</u> <u>1997</u>
<u>OPERATING REVENUES</u>		
Charges for services	\$382,919	\$383,049
<u>Net charges for services</u>	382,919	383,049
Intergovernmental		4,857
Miscellaneous income	<u>1,258</u>	<u>2,048</u>
<u>Total operating revenues</u>	<u>384,177</u>	<u>389,954</u>
<u>OPERATING EXPENSES</u>		
Personal services	63,430	58,362
Contractual services	97,544	95,056
Materials and supplies	17,654	13,710
Other expenses	95,210	95,047
Depreciation	<u>113,108</u>	<u>111,201</u>
<u>Total operating expenses</u>	<u>386,946</u>	<u>373,376</u>
<u>OPERATING INCOME</u>	<u>(2,769)</u>	<u>16,578</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest income	3,772	3,546
Interest expense	<u>(45,102)</u>	<u>(49,126)</u>
<u>Total nonoperating (expenses)</u>	<u>(41,330)</u>	<u>(45,580)</u>
<u>INCOME BEFORE OPERATING TRANSFERS</u>	<u>(44,099)</u>	<u>(29,002)</u>
<u>OPERATING TRANSFERS IN (OUT)</u>		
Operating transfers in	3,660	5,000
Operating transfers out	<u>(56,010)</u>	<u>(43,043)</u>
<u>Total operating transfers (out)</u>	<u>(52,350)</u>	<u>(38,043)</u>
<u>NET (LOSS)</u>	<u>(96,449)</u>	<u>(67,045)</u>
<u>RETAINED EARNINGS, beginning of year</u>	<u>(57,406)</u>	<u>15,536</u>
Prior period adjustment	_____	<u>(5,897)</u>
<u>RETAINED EARNINGS, end of year</u>	<u>(153,855)</u>	<u>(57,406)</u>

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED JUNE 30, 1998

	<u>1998</u>	<u>(MEMORANDUM ONLY)</u> <u>1997</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$375,625	\$389,438
Cash received from grantor		4,857
Cash payments to suppliers for goods and services	(221,828)	(200,056)
Cash payments to employees for services	<u>(58,121)</u>	<u>(55,008)</u>
<u>Net cash provided by operating activities</u>	<u>95,676</u>	<u>139,231</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Operating transfers in from other funds	3,660	6,760
Operating transfers out to other funds	<u>(56,010)</u>	<u>(27,784)</u>
<u>Net cash used for noncapital financing activities</u>	<u>(52,350)</u>	<u>(21,024)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and construction of capital assets	(13,793)	(16,297)
Principal paid on revenue bonds and notes	(6,439)	(4,146)
Interest paid on revenue bonds and notes	(44,712)	(49,233)
Construction in progress		<u>1,129,399</u>
<u>Net cash used for capital and related financing activities</u>	<u>(64,944)</u>	<u>(69,676)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	335	(2,271)
Interest earned on investments	<u>1,048</u>	<u>3,547</u>
<u>Net cash provided by investing activities</u>	<u>1,383</u>	<u>1,276</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	(20,235)	49,807
<u>CASH AND CASH EQUIVALENTS, July 1, 1997</u>	<u>198,426</u>	<u>148,619</u>
<u>CASH AND CASH EQUIVALENTS, June 30, 1998</u>	<u>178,191</u>	<u>198,426</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating income	\$(2,771)	\$16,578
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	113,109	111,201
(Increase) decrease in accounts receivable	(10,273)	2,506
(Increase) decrease in prepaid insurance	(882)	(1,445)
(Increase) decrease in due from other funds	285	
Increase (decrease) in accounts payable	(6,205)	8,656
Net increase (decrease) in customers' deposits	1,721	1,735
Increase (decrease) in due to other funds	<u>692</u>	
<u>Total adjustments</u>	<u>98,447</u>	<u>122,653</u>
<u>Net cash provided by operating activities</u>	<u>95,676</u>	<u>139,231</u>

The accompanying notes are an integral part of these statements.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and reporting practices of the Town of Grand Coteau conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies and practices of the Town of Grand Coteau.

Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Town of Grand Coteau for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

The Town of Grand Coteau is a primary government and the accompanying general purpose financial statements present information only on the funds maintained by the Town and do not present information on any other governmental unit.

Fund accounting. The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into five generic fund types and three broad fund categories as follows:

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

General Fund. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds. Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Proprietary Fund

Enterprise Fund. The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund

Agency Funds. Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is for principal and interest on general long-term debt which is recognized when due. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

The proprietary fund type is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred. Revenues earned and expenses incurred are recognized in a government's proprietary funds in essentially the same manner as in commercial accounting. However, where the GASB has issued pronouncements applicable to entities and activities recognized in a government's proprietary funds, those entities and activities should be guided by the GASB pronouncements. Only minor adaptations are involved in applying the revenue realization and expense recognition principles in the governmental environment.

Cash and investments. Louisiana statutes authorize the Town to invest in United States Treasury obligations, bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and backed by the United States; bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States government instrumentalities, which are federally sponsored; and certificates of deposit.

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100 percent of the uninsured amount on deposit with the bank.

At June 30, 1998, the carrying amount of the Town's deposits was \$330,167. The bank balance of cash was \$280,801 and of investments was \$49,226. Investments are stated at cost or amortized cost, which approximates market. These investments consist of certificates of deposit. Of the bank balance, approximately \$200,000 is covered by federal deposit insurance, and approximately \$130,027 is covered by securities held by the bank in the Town's name.



TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed assets and long-term liabilities. All items of property, plant, and equipment (including infrastructure general fixed assets) which do not constitute assets of the Enterprise Fund are recorded in the General Fixed Assets Account Group. Such assets are maintained on the basis of original cost (cash paid plus trade-in allowance, if applicable) and no depreciation is computed or recorded thereon.

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-term Debt Account Group, not in the governmental funds.

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

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Debt Account Group.

Property, plant, and equipment which constitute assets of the Enterprise Fund are recorded at cost and depreciation is computed thereon under the straight-line method of depreciation based on estimated useful lives of the individual assets.

Interest costs during construction, where applicable, are capitalized.

Bad debts. Uncollectible amounts due for ad valorem taxes, miscellaneous liens, and sundry claims are recorded as bad debts through the establishment of an allowance account at the time information available indicates the uncollectibility of the particular receivable.

Allowance for uncollectible accounts receivable in the Enterprise Fund at June 30, 1998, is \$2,119.

Budgets and budgetary accounting. The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. At least 30 days prior to the beginning of the fiscal year the Mayor submits to the Town Council an operating and capital budget for the succeeding year.
2. A public meeting is scheduled by the Town Council after allowing for at least 10 days notice to the public at the time the budget is initially submitted to the Town Council.
3. The budget must be finally adopted by the Council no later than the last day of the preceding fiscal year.
4. The Mayor and Town Council may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Operating appropriations, to the extent not expended or encumbered, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The budgeted accounts shown in these financial statements as of June 30, 1998, were properly amended during a public meeting held on June 22, 1998.

Encumbrances. The Town does not employ the encumbrance system of accounting.

Inventory. The Town practices the policy of recording materials and supplies as expenditures or expenses when acquired. The Town does not record any of these items as inventory because the amount of the items in stock is insignificant.

Compensated absences. The Town's policy is that employees earn and must use their vacation and sick leave as of the end of each fiscal year. Therefore, there is no provision for compensated absences at year-end.

Cash and cash equivalents. For purposes of the statement of cash flows, the Town considers all highly liquid debt instruments purchased with a maturity of three months or less that is considered available funds to be cash equivalents.

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 cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. The prior year expenditures have been restated to reflect changes made in the course of the audit.

(2) INTERFUND RECEIVABLES, PAYABLES

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$25,090	\$10,253
Special Revenue Funds		
Sales Tax	375	
Capital Projects Fund		100
Enterprise Funds	5,825	31,475
Agency Fund		
Payroll Account	<u>12,517</u>	<u>1,979</u>
	<u>43,807</u>	<u>43,807</u>

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(3) DEFICITS - IN INDIVIDUAL FUNDS

The Enterprise Fund consists of the Gas, Water and Sewer Funds. The Enterprise Fund has a deficit retained earnings at June 30, 1998 as follows:

Enterprise Fund	
Gas Fund	\$92,459
Water Fund	79,485
Sewer Fund	<u>(325,799)</u>
<u>Total retained earnings</u>	<u>(153,855)</u>

(4) RETIREMENT

The employees of the Town are covered by social security only. The Town does not have any other retirement plan for its employees.

(5) CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purposes of the statement of cash flows consist of the following:

Unrestricted assets	
Cash	\$95,380
Restricted assets	
Cash	<u>82,811</u>
<u>Total cash and cash equivalents</u>	<u>178,191</u>

(6) ACCOUNTS RECEIVABLE - ENTERPRISE FUND

The accounts receivable consist of gas, water and sewer billings uncollected as of June 30, 1998. An accounts receivable aging schedule is as follows:

<u>Days</u>	<u>June 30, 1998</u>
0 - 30	\$32,730
31 - 60	7,869
61 - 90	2,346
91 and older	<u>561</u>
<u>Total accounts receivable</u>	43,506
Plus: sales tax receivable	2,149
Less: allowance for uncollectible accounts	<u>(2,119)</u>
<u>Net accounts receivable</u>	<u>43,536</u>

The amount of unbilled receivables as of June 30, 1998 was immaterial to the financial statements and is not included in accounts receivable.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(6) ACCOUNTS RECEIVABLE - ENTERPRISE FUND (Continued)

The number of residential and commercial customers as of June 30, 1998 are as follows:

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Gas	369	19	388
Water	400	40	440
Sewer	372	34	406

(7) AD VALOREM TAXES

For the year ended June 30, 1998, the Town of Grand Coteau levied a general tax of 6.0 mills on property with assessed valuation totaling \$2,120,160. Total tax levied was \$12,467. Taxes receivable at June 30, 1998 total \$676.

The Town's ad valorem tax, levied for the calendar year, is due on or before December 31, and becomes delinquent on January 1.

(8) RESERVES OF FUND EQUITY

The Town records reserves to indicate that a portion of the fund equity is legally segregated for a specific future use. The following details the description and amount of all reserves used by the Town.

	<u>Balance at</u> <u>June 30,</u> <u>1998</u>
Enterprise Funds	
Reserved for customers' deposits	\$24,670
Reserved for bond retirement	<u>52,511</u>
	<u>77,181</u>

(9) DEDICATION OF SALES TAX PROCEEDS

Proceeds of the 1 percent sales and use tax are dedicated to the following purposes:

Constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; opening, constructing, paving, resurfacing and improving streets, sidewalks, and bridges; constructing and improving drains, drainage canals and subsurface drainage; constructing, acquiring or improving any work of public permanent improvements; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Grand Coteau, title to which shall be in the public.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(10) PROPRIETARY FUNDS - RESTRICTED ASSETS

Certain assets of the Enterprise Funds have been restricted for debt service and customers' deposits. These assets consist of cash and short-term investments restricted for the following:

Customers' deposits	\$63,482
Bond retirement - Reserve	12,493
Bond retirement - Sinking Fund	43,114
Bond retirement - Depreciation and Contingency	<u>12,130</u>
	<u>131,219</u>

(11) CONTRIBUTED CAPITAL

Contributed capital on June 30, 1998 consists of:

Gas Fund

Contributions from federal agencies	\$89,745	
Contributions from Town of Grand Coteau		
Special Revenue Funds	<u>951</u>	\$90,696

Water Fund

Contributions from federal agencies		278,400
-------------------------------------	--	---------

Sewer Fund

Contributions from federal and state agencies	2,261,404	
Contributions from Town of Grand Coteau		
Special Revenue Funds	<u>7,379</u>	<u>2,268,783</u>
		<u>2,637,879</u>

(12) PROPERTY, PLANT, AND EQUIPMENT - ENTERPRISE FUNDS

A summary of property, plant, and equipment of the Enterprise Funds at June 30, 1998 is as follows:

<u>Description</u>	<u>Life in</u> <u>Years</u>	<u>Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net</u>	<u>Depreciation</u> <u>This Year *</u>
Land		\$24,000		\$24,000	
Waterworks and gas system	30	1,167,751	\$666,312	501,439	\$37,385
Sewer plant and line extensions	40	2,878,644	624,914	2,253,730	71,967
Equipment	3-5	39,400	24,774	14,626	1,862
Sewer building	15	<u>28,418</u>	<u>3,947</u>	<u>24,471</u>	<u>1,894</u>
<u>Total</u>		<u>4,138,213</u>	<u>1,319,947</u>	<u>2,818,266</u>	<u>113,108</u>

\* All assets are depreciated under the straight-line method.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(12) PROPERTY, PLANT, AND EQUIPMENT - ENTERPRISE FUNDS (Continued)

Changes During the Year

Balance, beginning of year	\$4,124,420	\$1,206,839
Additions:		
Equipment	13,793	
Depreciation	<u>                    </u>	<u>113,108</u>
Balance, end of year	<u>4,138,213</u>	<u>1,319,947</u>

(13) PROPRIETARY FUND CHANGES IN DEBT

The following is a summary of changes in Proprietary Fund debt for the year ended June 30, 1998:

<u>Description of Debt</u>	<u>Balance at July 1, 1997</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at June 30, 1998</u>
\$338,666 of Utilities Revenue Refunding Bonds dated April 1, 1989	\$318,591		\$3,713	\$314,878
\$225,000 of Sewer Revenue Bonds dated February 17, 1997	<u>224,301</u>	<u>      </u>	<u>2,726</u>	<u>221,575</u>
	<u>542,892</u>	<u>-0-</u>	<u>6,439</u>	<u>536,453</u>

The annual requirements to retire debt as of June 30, 1998, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$6,217	\$44,572	\$50,789
2000	7,441	44,045	51,486
2001	8,746	43,391	52,137
2002	9,062	42,601	51,663
2003	9,405	41,785	51,190
2004-2008	62,367	194,454	256,821
2009-2013	96,973	159,149	256,122
2014-2018	157,407	101,024	258,431
2019-2023	68,226	32,747	100,973
2024-2028	41,414	20,551	61,965
2029-2033	51,843	10,122	61,965
2034-2035	<u>17,352</u>	<u>564</u>	<u>17,916</u>
	<u>536,453</u>	<u>735,005</u>	<u>1,271,458</u>

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(14) PROPRIETARY FUND TYPE - FLOW OF FUNDS - RESTRICTION ON USE

Under the terms of the bond indentures on outstanding Utility Revenue Refunding Bonds dated April 1, 1989, all income and revenues of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

All revenues shall be deposited into a "Utilities Revenue Fund" to provide for the payment of the reasonable and necessary expenses of operating and maintaining the system and for the following purposes:

(a) Each month, there will be set aside into a fund called the "Utilities Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments. This deposit must be made on or before the 20th of each month.

(b) There shall also be set aside into a "Utilities Revenue Bond Reserve Fund" an amount equal to 5 percent of the amount to be paid into the Sinking Fund until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Utility Revenue Bond Sinking Fund and as to which there would otherwise be default.

(c) Funds will also be set aside into a "Utilities Depreciation and Contingency Fund" an amount equal to 5 percent of the amount to be paid into the Sinking Fund. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

(d) All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purposes.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(15) CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets for the year ended June 30, 1998:

	Balance, July 1, <u>1997</u>	<u>Additions</u>	<u>Retirements</u>	Balance, June 30, <u>1998</u>
Land	\$75,171			\$75,171
Buildings	198,619	\$1,235		199,854
Improvements other than buildings	31,744	7,618		39,362
Equipment	195,183	20,933		216,116
Other structures and improvements	<u>119,531</u>	_____	_____	<u>119,531</u>
<u>Total</u>	<u>620,248</u>	<u>29,786</u>	<u>-0-</u>	<u>650,034</u>

(16) GENERAL FIXED ASSETS

The Town of Grand Coteau does not have adequate accounting records on general fixed assets.

(17) GENERAL LONG-TERM DEBT - NOTES PAYABLE

The Town of Grand Coteau has outstanding a note payable to the Bank of Sunset and Trust Company for the purchase of a fire truck dated January 23, 1991. The note has an interest rate of 11 percent and its first annual payment was due on January 23, 1993 with the final payment due on January 23, 2001.

The Town of Grand Coteau has outstanding a note payable to the Bank of Sunset and Trust Company for the purchase of a 1995 Ford Crown Victoria. The note has an interest rate of 6.5 percent and its first monthly payment was due on March 27, 1995 with the final payment due on March 15, 2000. Effective February 9, 1997, the interest rate was reduced from 6.5 percent to 6.0 percent.

Future maturities of the notes payable are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$12,685	\$2,586	\$15,271
2000	12,217	1,591	13,808
2001	<u>8,800</u>	<u>748</u>	<u>9,548</u>
	<u>33,702</u>	<u>4,925</u>	<u>38,627</u>



TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(18) GENERAL LONG TERM DEBT - LEASES PAYABLE

The Town of Grand Coteau, Louisiana entered into a non-cancellable capital lease with Applied Concepts Incorporated for a radar on October 14, 1995. The agreement requires monthly payments of \$76.52 for thirty-six months. The cost of the radar of \$2,755 has been recorded in the General Fixed Assets Account Group and the lease payable is set up in the General Long-term Debt Account Group.

The Town of Grand Coteau, Louisiana also entered into a non-cancellable capital lease with Northeastern Leasing and Finance Corp. for a copier on June 5, 1998. The agreement requires monthly payments of \$185.00 for sixty months. The cost of the copier, of \$11,140.50, has been recorded in the General Fixed Assets Account Group and the lease payable is set up in the General Long-term Debt Account Group.

At June 30, 1998, future minimum rental payments required are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$1,608	\$846	\$2,454
2000	1,560	660	2,220
2001	1,758	462	2,220
2002	1,981	239	2,220
2003	<u>902</u>	<u>26</u>	<u>928</u>
<u>Total minimum lease payments</u>	<u>7,809</u>	<u>2,233</u>	<u>10,042</u>

The Town of Grand Coteau, Louisiana also entered into an operating lease with Xerox Corporation for a copier on August 16, 1997. The agreement requires monthly payments of \$80.15 for twelve months. The payments are recorded as equipment lease in the General Fund.

(19) SEWER REVENUE BOND - FEBRUARY 17, 1995

A bond of \$225,000 was issued on February 17, 1995 for improvements on the Town's sewer system. The bond has a stated interest of 4 1/2 percent and is payable over a forty year period. The first two payments consist of interest only and were due on February 17, 1997 and February 17, 1998. Commencing March 17, 1998 and on the 17th day of each month thereafter through February 17, 2035, monthly payments will be due which will consist of fully amortized payments of principal and interest. Each payment shall be applied, first, to the payment of accrued interest; and second, to the payment of principal.

TOWN OF GRAND COTEAU, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

(19) SEWER REVENUE BOND - FEBRUARY 17, 1995 (Continued)

Actual monthly payments into the Sinking Fund during the interest only period depend on the schedule of advances of principal made to the Town during construction. However, monthly debt service payments into the Sinking Fund will not exceed \$1,021.50. The Town will also have to make monthly payments of \$52 into a Reserve Fund and \$52 into a Contingency Fund. The payments into the Reserve Fund will continue until an amount equal to one year's debt service on the bond is accumulated therein, and the payments into the Contingency Fund will be made over the life of the bond.

(20) SEWER CHARGES

The Town's sewer rate schedule is as follows:

	<u>Monthly Charge</u>
Base rate - 4,000 gallons	\$10.00
Each additional 1,000 gallons	2.00

(21) YEAR 2000 ISSUES (UNAUDITED)

The Town of Grand Coteau currently uses two computer software packages in their operations which could be affected by the year 2000 issue. One of the software packages is the accounting and payroll software which is manufactured by CPA Software. As of the end of 1998, the Town is to receive the annual update which should make this software year 2000 compliant. The other software used is the Utility Billing System software which is manufactured by Utility Data Systems, Inc. During the beginning of 1999, the Town is to receive an update which should make this software year 2000 compliant.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>ASSETS</u>		
Cash	\$42,149	\$32,717
Receivables, net of allowances for uncollectibles		
Property taxes	676	410
Franchise	8,751	7,964
Intergovernmental	39,561	34,755
Other	86	52
Due from other funds	<u>25,090</u>	<u>28,357</u>
<u>Total assets</u>	<u>116,313</u>	<u>104,255</u>
<u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES</u>		
Accounts payable	\$10,584	\$9,722
Due to other funds	<u>10,253</u>	<u>44</u>
<u>Total liabilities</u>	<u>20,837</u>	<u>9,766</u>
<u>FUND BALANCE</u>		
Unreserved	<u>95,476</u>	<u>94,489</u>
<u>Total liabilities and fund equity</u>	<u>116,313</u>	<u>104,255</u>

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>		VARIANCE -	1997
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>	<u>ACTUAL</u>
			<u>(UNFAVORABLE)</u>	
<u>REVENUES</u>				
Taxes	\$46,666	\$50,392	\$3,726	\$47,225
Licenses and permits	26,386	26,567	181	36,458
Intergovernmental	180,462	173,346	(7,116)	184,530
Fines and forfeits	51,394	53,821	2,427	29,008
Miscellaneous	<u>14,944</u>	<u>32,760</u>	<u>17,816</u>	<u>22,669</u>
<u>Total revenues</u>	<u>319,852</u>	<u>336,886</u>	<u>17,034</u>	<u>319,890</u>
<u>EXPENDITURES</u>				
Current operating				
Executive and				
administrative	99,341	127,093	(27,752)	89,624
Street department	66,435	75,538	(9,103)	69,786
Police department	187,285	191,924	(4,639)	165,391
Fire department	20,084	19,054	1,030	16,003
Park department	<u>686</u>	<u>1,076</u>	<u>(390)</u>	<u>816</u>
<u>Total expenditures</u>	<u>373,831</u>	<u>414,685</u>	<u>(40,854)</u>	<u>341,620</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>	<u>(53,979)</u>	<u>(77,799)</u>	<u>(23,820)</u>	<u>(21,730)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	79,040	100,147	21,107	67,843
Operating transfers out	<u>(16,927)</u>	<u>(20,270)</u>	<u>(3,343)</u>	<u>(18,016)</u>
<u>Total other</u>				
<u>financing sources</u>	<u>62,113</u>	<u>79,877</u>	<u>17,764</u>	<u>49,827</u>
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>SOURCES OVER (UNDER)</u>				
<u>EXPENDITURES AND OTHER (USES)</u>	<u>8,134</u>	2,078	<u>(6,056)</u>	28,097
<u>FUND BALANCE, beginning of year</u>		93,398		64,947
Prior period adjustment -				
Capital lease payments - radar		_____		<u>354</u>
<u>FUND BALANCE, end of year</u>		<u>95,476</u>		<u>93,398</u>

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>		VARIANCE - FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>TAXES</u>				
Property taxes	\$10,080	\$11,014	\$934	\$10,475
Franchise - cable television	733	733		702
Franchise - telephone	2,328	2,417	89	2,235
Franchise - electric	<u>33,525</u>	<u>36,228</u>	<u>2,703</u>	<u>33,813</u>
<u>Total taxes</u>	<u>46,666</u>	<u>50,392</u>	<u>3,726</u>	<u>47,225</u>
<u>LICENSES AND PERMITS</u>				
Occupational licenses	24,942	25,142	200	36,151
Building permits	1,362	1,357	(5)	59
Moving permits	72	60	(12)	240
Plumbing permits	<u>10</u>	<u>8</u>	<u>(2)</u>	<u>8</u>
<u>Total licenses and permits</u>	<u>26,386</u>	<u>26,567</u>	<u>181</u>	<u>36,458</u>
<u>INTERGOVERNMENTAL</u>				
State beer tax	1,705	1,581	(124)	1,706
State tobacco tax	4,362	5,816	1,454	5,816
Housing Authority	4,109	4,191	82	4,109
Fire insurance rebate	3,071	2,559	(512)	2,558
Federal grants	3,067		(3,067)	28,559
State grants				1,533
Food stamp reimbursement	44	(37)	(81)	(143)
Video poker revenue	<u>164,104</u>	<u>159,236</u>	<u>(4,868)</u>	<u>140,392</u>
<u>Total intergovernmental</u>	<u>180,462</u>	<u>173,346</u>	<u>(7,116)</u>	<u>184,530</u>
<u>FINES</u>				
Court fines	<u>51,394</u>	<u>53,821</u>	<u>2,427</u>	<u>29,008</u>
<u>MISCELLANEOUS</u>				
Interest income	580	666	86	565
Sundry	775	3,864	3,089	4,646
Water meter fees	13,589	17,089	3,500	17,458
Inception of capital lease		<u>11,141</u>	<u>11,141</u>	
<u>Total miscellaneous</u>	<u>14,944</u>	<u>32,760</u>	<u>17,816</u>	<u>22,669</u>
<u>Total revenues</u>	<u>319,852</u>	<u>336,886</u>	<u>17,034</u>	<u>319,890</u>

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>		VARIANCE -	
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE	1997
			(UNFAVORABLE)	<u>ACTUAL</u>
<u>EXECUTIVE AND ADMINISTRATIVE</u>				
<u>Personal services</u>				
Salaries - Clerical	\$28,898	\$37,209	\$(8,311)	\$27,700
Salaries - Mayor and Council	12,436	11,813	623	8,663
Payroll taxes	1,583	5,065	(3,482)	2,039
<u>Supplies</u>				
Office supplies and postage	11,541	11,787	(246)	11,991
<u>Other</u>				
Conventions and conferences	2,280	4,792	(2,512)	5,853
Advertising	1,384	2,114	(730)	867
Dues and subscriptions	1,394	1,566	(172)	2,044
Engineering fees	1,576	2,013	(437)	1,438
Equipment rental	1,151	959	192	401
Equipment lease		316	(316)	
Insurance	11,669	12,936	(1,267)	10,299
Legal and accounting	11,135	10,434	701	5,015
Miscellaneous	2,724	3,619	(895)	2,210
Notices and publications	236	257	(21)	718
Pest control	896	811	85	384
Repairs and maintenance	962	1,318	(356)	1,411
Planning committee	190	220	(30)	160
Telephone	2,122	2,200	(78)	3,502
Utilities	7,164	6,523	641	4,929
Capital outlay		<u>11,141</u>	<u>(11,141)</u>	
<u>Total executive and administrative</u>	<u>99,341</u>	<u>127,093</u>	<u>(27,752)</u>	<u>89,624</u>
<u>STREET DEPARTMENT</u>				
<u>Personal services</u>				
Salaries	13,546	23,148	(9,602)	22,284
Payroll taxes	1,040	2,014	(974)	857
<u>Supplies</u>				
Materials and supplies	8,819	6,501	2,318	4,518
Uniforms	686	572	114	118

This schedule continued on next page.



TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>		<u>VARIANCE -</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>	<u>1997</u>
			<u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>STREET DEPARTMENT (Continued)</u>				
<u>Other</u>				
Auto and truck expense	\$9,881	\$11,300	\$(1,419)	\$7,389
Repairs and maintenance	846	914	(68)	8,987
Insurance	6,864	7,959	(1,095)	6,394
Utilities	14,472	14,962	(490)	14,599
Tractor expense	1,277	1,424	(147)	1,253
Capital outlay	8,709	6,498	2,211	1,695
Equipment rental	295	246	49	1,692
<u>Total street department</u>	<u>66,435</u>	<u>75,538</u>	<u>(9,103)</u>	<u>69,786</u>
<u>POLICE DEPARTMENT</u>				
<u>Personal services</u>				
Salaries and wages	120,857	121,178	(321)	105,410
Payroll taxes	8,879	10,917	(2,038)	7,033
<u>Supplies</u>				
Materials and supplies	7,700	9,166	(1,466)	5,218
Uniforms	1,600	1,670	(70)	1,780
<u>Other</u>				
Insurance	25,397	26,258	(861)	24,264
Auto expense	9,475	8,511	964	8,856
Telephone	5,118	5,067	51	5,091
Repairs	2,441	945	1,496	1,609
Miscellaneous	1,153	1,893	(740)	3,496
Prisoner meals		180	(180)	30
Capital outlay	4,665	6,139	(1,474)	2,604
<u>Total police department</u>	<u>187,285</u>	<u>191,924</u>	<u>(4,639)</u>	<u>165,391</u>
<u>FIRE DEPARTMENT</u>				
<u>Personal services</u>				
Salaries and wages	2,330	2,368	(38)	5,069
Payroll taxes	172	214	(42)	380
<u>Supplies</u>				
Materials and supplies	8,255	1,320	6,935	1,277

This schedule continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998		VARIANCE -	
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	1997 ACTUAL
<u>FIRE DEPARTMENT (Continued)</u>				
<u>Other</u>				
Telephone	\$4,045	\$4,076	\$(31)	\$4,798
Utilities	709	819	(110)	1,257
Insurance	2,746	2,647	99	2,812
Truck expense	60	109	(49)	92
Miscellaneous	1,082	920	162	163
Repairs and maintenance	685	571	114	105
Capital outlay		6,010	(6,010)	50
<u>Total fire department</u>	20,084	19,054	1,030	16,003
 <u>PARK DEPARTMENT</u>				
<u>Other</u>				
Repairs				
Insurance	686	1,076	(390)	816
<u>Total park department</u>	686	1,076	(390)	816
<u>Total expenditures</u>	373,831	414,685	(40,854)	341,620

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for resources legally restricted to expenditures for specified current operating purposes or the acquisition of furniture, fixtures, machinery, equipment, or other relatively minor or comparatively short-lived assets.

The Sales Tax Fund is used to account for the collection and expenditure of the Town's 1 percent sales tax.

TOWN OF GRAND COTEAU, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1998 AND 1997

	<u>SALES TAX FUND</u>	<u>SUMMER FOOD SERVICE PROGRAM FUND</u>	<u>TOTALS</u>	
			<u>1998</u>	<u>1997</u>
<u>ASSETS</u>				
Cash	\$55,621		\$55,621	\$43,069
Due from other funds	<u>375</u>	—	<u>375</u>	<u>375</u>
<u>Total assets</u>	<u>55,996</u>	<u>-0-</u>	<u>55,996</u>	<u>43,444</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts payable				\$550
<u>Total liabilities</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>550</u>
<u>FUND BALANCE</u>				
Unreserved	\$55,996		\$55,996	42,894
<u>Total liabilities and fund equity</u>	<u>55,996</u>	<u>-0-</u>	<u>55,996</u>	<u>43,444</u>

TOWN OF GRAND COTEAU, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	SALES TAX FUND	SUMMER FOOD SERVICE PROGRAM FUND	<u>TOTALS</u>	
			<u>1998</u>	<u>1997</u>
<u>REVENUES</u>				
Taxes	\$58,603		\$58,603	\$48,481
Miscellaneous	<u>28</u>	<u>—</u>	<u>28</u>	<u>27</u>
<u>Total revenues</u>	<u>58,631</u>	<u>-0-</u>	<u>58,631</u>	<u>48,508</u>
<u>EXPENDITURES</u>				
Executive and administrative	<u>586</u>	<u>—</u>	<u>586</u>	<u>488</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>				
	<u>58,045</u>	<u>—</u>	<u>58,045</u>	<u>48,020</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out	(44,943)	<u>—</u>	(44,943)	(29,800)
<u>Total other financing (uses)</u>	<u>(44,943)</u>	<u>-0-</u>	<u>(44,943)</u>	<u>(29,800)</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES</u>				
<u>OVER (UNDER) EXPENDITURES AND OTHER</u>				
<u>(USES)</u>				
	13,102		13,102	18,220
<u>FUND BALANCE, beginning of year</u>	<u>42,894</u>	<u>—</u>	<u>42,894</u>	<u>24,674</u>
<u>FUND BALANCE, end of year</u>	<u>55,996</u>	<u>-0-</u>	<u>55,996</u>	<u>42,894</u>

TOWN OF GRAND COTEAU, LOUISIANA  
SALES TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>		VARIANCE -	
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE	1997
			(UNFAVORABLE)	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes				
Sales tax collections	\$47,123	\$58,603	\$11,480	\$48,481
Miscellaneous				
Interest income	<u>25</u>	<u>28</u>	<u>3</u>	<u>27</u>
<u>Total revenues</u>	<u>47,148</u>	<u>58,631</u>	<u>11,483</u>	<u>48,508</u>
<u>EXPENDITURES</u>				
Executive and administrative				
Miscellaneous	<u>471</u>	<u>586</u>	<u>(115)</u>	<u>488</u>
<u>Total expenditures</u>	<u>471</u>	<u>586</u>	<u>(115)</u>	<u>488</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>	46,677	58,045	11,368	48,020
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out	(48,346)	(44,943)	<u>3,403</u>	(29,800)
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>SOURCES OVER (UNDER)</u>				
<u>EXPENDITURES AND OTHER (USES)</u>	<u>(1,669)</u>	13,102	<u>14,771</u>	18,220
<u>FUND BALANCE, beginning of year</u>		<u>42,894</u>		<u>24,674</u>
<u>FUND BALANCE, end of year</u>		<u>55,996</u>		<u>42,894</u>

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

TOWN OF GRAND COTEAU, LOUISIANA  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>ASSETS</u>	—	—
<u>Total assets</u>	<u>-0-</u>	<u>-0-</u>
 <u>LIABILITIES AND FUND EQUITY</u>	 —	 —
<u>Total liabilities and fund equity</u>	<u>-0-</u>	<u>-0-</u>



TOWN OF GRAND COTEAU, LOUISIANA  
DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>REVENUES</u>	<u>-0-</u>	<u>-0-</u>
<u>EXPENDITURES</u>		
Debt service		
Notes paid	\$12,459	\$12,034
Interest paid	3,552	4,710
Capital lease payments	<u>1,404</u>	<u>1,272</u>
<u>Total expenditures</u>	<u>17,415</u>	<u>18,016</u>
<u>EXCESS OF REVENUES OVER</u> <u>(UNDER) EXPENDITURES</u>	(17,415)	(18,016)
<u>OTHER FINANCING SOURCES</u>		
Operating transfers in	<u>17,415</u>	<u>18,016</u>
<u>EXCESS OF REVENUES AND OTHER</u> <u>SOURCES OVER (UNDER)</u> <u>EXPENDITURES AND OTHER (USES)</u>		
<u>FUND BALANCE</u> , beginning of year	_____	_____
<u>FUND BALANCE</u> , end of year	<u>-0-</u>	<u>-0-</u>

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for the purchase or construction of major capital facilities which are not financed by proprietary funds.

The Capital Projects Fund was used to account for the Sewer Construction Project in the last fiscal year and is now being used to account for the Street Improvement Project. The Street Improvement Project is still under construction as of June 30, 1998.

TOWN OF GRAND COTEAU, LOUISIANA  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>ASSETS</u>		
Cash	\$184	\$97
Grant receivable		77,348
Other receivable	<u>94</u>	<u>94</u>
<u>Total assets</u>	<u>278</u>	<u>77,539</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable		\$77,348
Due to other funds	\$ <u>100</u>	<u>100</u>
<u>Total liabilities</u>	<u>100</u>	<u>77,448</u>
<u>FUND BALANCE</u>		
Reserved for construction	<u>178</u>	<u>91</u>
<u>Total fund balance</u>	<u>178</u>	<u>91</u>
<u>Total liabilities and fund balance</u>	<u>278</u>	<u>77,539</u>

TOWN OF GRAND COTEAU, LOUISIANA  
CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>REVENUES</u>		
Intergovernmental		
Grants - LCDBG	\$46,481	\$240,173
Miscellaneous	<u>134</u>	
<u>Total revenues</u>	<u>46,615</u>	<u>240,173</u>
<u>EXPENDITURES</u>		
Capital projects		
Construction costs	33,222	198,442
Engineering fees	1,159	33,712
Testing and inspection		520
Office supplies	47	9
Architect	<u>12,100</u>	<u>7,500</u>
<u>Total expenditures</u>	<u>46,528</u>	<u>240,183</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>		
<u>EXPENDITURES</u>	<u>87</u>	<u>(10)</u>
<u>OTHER FINANCING SOURCES</u>		
Utility bond proceeds		
<u>Total other financing sources</u>	<u>-0-</u>	<u>-0-</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES</u>		
<u>OVER (UNDER) EXPENDITURES AND OTHER USES</u>		(10)
<u>FUND BALANCE, beginning of year</u>	<u>91</u>	<u>101</u>
<u>FUND BALANCE, end of year</u>	<u>178</u>	<u>91</u>

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1998 AND 1997

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>1998</u>	<u>1997</u>
<u>ASSETS</u>					
<u>CURRENT ASSETS</u>					
Cash	\$48,941	\$35,959	\$10,480	\$95,380	\$122,974
Investments	819			819	779
Accounts receivable, net	18,137	11,762	13,637	43,536	33,263
Accrued interest receivable	38		63	101	98
Prepaid insurance	4,051	2,318	3,186	9,555	8,673
Due from other funds	<u>2,826</u>	<u>1,978</u>	<u>1,021</u>	<u>5,825</u>	<u>6,109</u>
<u>Total current assets</u>	<u>74,812</u>	<u>52,017</u>	<u>28,387</u>	<u>155,216</u>	<u>171,896</u>
<u>RESTRICTED ASSETS</u>					
Cash	18,921	32,713	31,177	82,811	75,452
Investments	<u>28,377</u>		<u>20,030</u>	<u>48,407</u>	<u>46,061</u>
<u>Total restricted assets</u>	<u>47,298</u>	<u>32,713</u>	<u>51,207</u>	<u>131,218</u>	<u>121,513</u>
<u>FIXED ASSETS</u>					
Utility plant and depreciable assets, net of accumulated depreciation	<u>103,598</u>	<u>411,415</u>	<u>2,303,253</u>	<u>2,818,266</u>	<u>2,917,583</u>
<u>Total fixed assets</u>	<u>103,598</u>	<u>411,415</u>	<u>2,303,253</u>	<u>2,818,266</u>	<u>2,917,583</u>
<u>Total assets</u>	<u>225,708</u>	<u>496,145</u>	<u>2,382,847</u>	<u>3,104,700</u>	<u>3,210,992</u>

This schedule continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
 ENTERPRISE FUNDS  
 COMBINING BALANCE SHEET (CONTINUED)  
 JUNE 30, 1998 AND 1997

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>1998</u>	<u>1997</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>CURRENT LIABILITIES (from</u>					
<u>current assets)</u>					
Accounts payable	\$855	\$2,105	\$1,825	\$4,785	\$10,991
Due to other funds	<u>13,818</u>	<u>14,203</u>	<u>3,454</u>	<u>31,475</u>	<u>30,782</u>
<u>Total</u>	<u>14,673</u>	<u>16,308</u>	<u>5,279</u>	<u>36,260</u>	<u>41,773</u>
<u>CURRENT LIABILITIES (from</u>					
<u>restricted assets)</u>					
Revenue bonds payable		1,290	4,784	6,074	6,063
Interest payable		2,971	6,180	9,151	8,761
Customers' deposits	<u>27,881</u>	<u>10,931</u>		<u>38,812</u>	<u>37,092</u>
<u>Total</u>	<u>27,881</u>	<u>15,192</u>	<u>10,964</u>	<u>54,037</u>	<u>51,916</u>
<u>Total current liabilities</u>	<u>42,554</u>	<u>31,500</u>	<u>16,243</u>	<u>90,297</u>	<u>93,689</u>
<u>LONG-TERM LIABILITIES</u>					
Revenue bonds payable		<u>106,759</u>	<u>423,620</u>	<u>530,379</u>	<u>536,829</u>
<u>Total long-term liabilities</u>	<u>-0-</u>	<u>106,759</u>	<u>423,620</u>	<u>530,379</u>	<u>536,829</u>
<u>Total liabilities</u>	<u>42,554</u>	<u>138,259</u>	<u>439,863</u>	<u>620,676</u>	<u>630,518</u>

This schedule continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 1998 AND 1997

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>1998</u>	<u>1997</u>
<u>FUND EQUITY</u>					
Contributed capital					
Contribution from municipality	\$951		\$7,379	\$8,330	\$8,330
Contribution from federal and state grants	<u>89,745</u>	<u>\$278,400</u>	<u>2,261,404</u>	<u>2,629,549</u>	<u>2,629,549</u>
<u>Total contributed capital</u>	<u>90,696</u>	<u>278,400</u>	<u>2,268,783</u>	<u>2,637,879</u>	<u>2,637,879</u>
Retained earnings					
Reserved for customers' deposits	19,417	5,253		24,670	21,645
Reserved for bond retirement		12,268	40,243	52,511	47,952
Unreserved retained earnings	<u>73,041</u>	<u>61,965</u>	<u>(366,042)</u>	<u>(231,036)</u>	<u>(127,002)</u>
<u>Total retained earnings</u>	<u>92,458</u>	<u>79,486</u>	<u>(325,799)</u>	<u>(153,855)</u>	<u>(57,405)</u>
<u>Total fund equity</u>	<u>183,154</u>	<u>357,886</u>	<u>1,942,984</u>	<u>2,484,024</u>	<u>2,580,474</u>
<u>Total liabilities and fund equity</u>	<u>225,708</u>	<u>496,145</u>	<u>2,382,847</u>	<u>3,104,700</u>	<u>3,210,992</u>



TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>1998</u>	<u>1997</u>
<u>OPERATING REVENUES</u>					
Charges for services	\$206,838	\$89,850	\$86,231	\$382,919	\$383,049
<u>Net charges for services</u>	206,838	89,850	86,231	382,919	383,049
Intergovernmental Miscellaneous income	331	786	141	1,258	4,857 2,048
<u>Total operating revenues</u>	<u>207,169</u>	<u>90,636</u>	<u>86,372</u>	<u>384,177</u>	<u>389,954</u>
<u>OPERATING EXPENSES</u>					
Personal services	31,754	18,832	12,844	63,430	58,362
Contractual services	93,453		4,091	97,544	95,056
Supplies	9,953	2,368	5,333	17,654	13,710
Other expenses	26,455	31,745	37,010	95,210	95,047
Depreciation	10,964	27,843	74,301	113,108	111,201
<u>Total operating expenses</u>	<u>172,579</u>	<u>80,788</u>	<u>133,579</u>	<u>386,946</u>	<u>373,376</u>
<u>OPERATING INCOME</u>	<u>34,590</u>	<u>9,848</u>	<u>(47,207)</u>	<u>(2,769)</u>	<u>16,578</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>					
Interest income	1,484	535	1,753	3,772	3,546
Interest expense		(11,990)	(33,112)	(45,102)	(49,126)
<u>Total nonoperating revenues (expenses)</u>	<u>1,484</u>	<u>(11,455)</u>	<u>(31,359)</u>	<u>(41,330)</u>	<u>(45,580)</u>
<u>INCOME BEFORE OPERATING TRANSFERS</u>	<u>36,074</u>	<u>(1,607)</u>	<u>(78,566)</u>	<u>(44,099)</u>	<u>(29,002)</u>
<u>OPERATING TRANSFERS IN (OUT)</u>					
Operating transfers in	1,203	1,868	589	3,660	5,000
Operating transfers out	(56,010)			(56,010)	(43,043)
<u>Total operating transfers in (out)</u>	<u>(54,807)</u>	<u>1,868</u>	<u>589</u>	<u>(52,350)</u>	<u>(38,043)</u>
<u>NET INCOME (LOSS)</u>	<u>(18,733)</u>	<u>261</u>	<u>(77,977)</u>	<u>(96,449)</u>	<u>(67,045)</u>
<u>RETAINED EARNINGS, beginning of year</u>					
	111,191	79,225	(247,822)	(57,406)	15,536
Prior period adjustment					(5,897)
<u>RETAINED EARNINGS, end of year</u>	<u>92,458</u>	<u>79,486</u>	<u>(325,799)</u>	<u>(153,855)</u>	<u>(57,406)</u>

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>1998</u>	<u>1997</u>
<u>CASH FLOWS FROM OPERATING</u>					
<u>ACTIVITIES</u>					
Cash received from customers	\$202,127	\$90,224	\$83,274	\$375,625	\$389,438
Cash received from grantor					4,857
Cash payments to suppliers for goods and services	(134,261)	(39,064)	(48,503)	(221,828)	(200,056)
Cash payments to employees for services	(29,055)	(17,274)	(11,792)	(58,121)	(55,008)
<u>Net cash provided by operating activities</u>	<u>38,811</u>	<u>33,886</u>	<u>22,979</u>	<u>95,676</u>	<u>139,231</u>
<u>CASH FLOWS FROM NONCAPITAL</u>					
<u>FINANCING ACTIVITIES</u>					
Operating transfers in from other funds	1,203	1,868	589	3,660	6,760
Operating transfers out to other funds	(56,010)	—	—	(56,010)	(27,784)
<u>Net cash provided (used) for noncapital financing activities</u>	<u>(54,807)</u>	<u>1,868</u>	<u>589</u>	<u>(52,350)</u>	<u>(21,024)</u>
<u>CASH FLOWS FROM CAPITAL AND</u>					
<u>RELATED FINANCING ACTIVITIES</u>					
Acquisition and construction of capital assets		(13,793)		(13,793)	(1,145,696)
Principal paid on revenue bonds and notes		(1,274)	(5,165)	(6,439)	(4,146)
Interest paid on revenue bonds and notes		(12,025)	(32,687)	(44,712)	(49,233)
Construction in progress	—	—	—	—	1,129,399
<u>Net cash (used) for capital and related financing activities</u>	<u>-0-</u>	<u>(27,092)</u>	<u>(37,852)</u>	<u>(64,944)</u>	<u>(69,676)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchase of investments	(1,415)		1,750	335	(2,271)
Interest on investments	1,485	534	(971)	1,048	3,547
<u>Net cash provided by investing activities</u>	<u>70</u>	<u>534</u>	<u>779</u>	<u>1,383</u>	<u>1,276</u>
<u>Net increase (decrease) in cash</u>	<u>(15,926)</u>	<u>9,196</u>	<u>(13,505)</u>	<u>(20,235)</u>	<u>49,807</u>
<u>CASH AND CASH EQUIVALENTS,</u>					
July 1, 1997	<u>83,788</u>	<u>59,476</u>	<u>55,162</u>	<u>198,426</u>	<u>148,619</u>
<u>CASH AND CASH EQUIVALENTS,</u>					
June 30, 1998	<u>67,862</u>	<u>68,672</u>	<u>41,657</u>	<u>178,191</u>	<u>198,426</u>

This schedule continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
				<u>1998</u>	<u>1997</u>
<u>RECONCILIATION OF OPERATING</u>					
<u>INCOME TO NET CASH PROVIDED</u>					
<u>(USED) BY OPERATING ACTIVITIES</u>					
Operating income	\$34,590	\$9,848	\$(47,207)	\$(2,769)	\$16,578
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	10,965	27,843	74,301	113,109	111,201
(Increase) decrease in accounts receivable	(6,134)	(1,042)	(3,099)	(10,275)	2,506
(Increase) decrease in prepaid insurance	(618)	174	(438)	(882)	(1,445)
(Increase) decrease in due from other funds		285		285	
Increase (decrease) in accounts payable	(1,571)	(3,852)	(782)	(6,205)	8,656
Net increase (decrease) in customers' deposits	1,091	630		1,721	1,735
Increase (decrease) in due to other funds	488		204	692	
<u>Total adjustments</u>	<u>4,221</u>	<u>24,038</u>	<u>70,186</u>	<u>98,445</u>	<u>122,653</u>
 <u>Net cash provided by</u> <u>operating activities</u>	 <u>38,811</u>	 <u>33,886</u>	 <u>22,979</u>	 <u>95,676</u>	 <u>139,231</u>

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
SCHEDULE OF OPERATING EXPENSES  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>GAS FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries and wages	\$29,055	\$24,588
Payroll taxes	2,699	1,830
<u>Contractual services</u>		
Gas purchases	88,233	89,074
Survey expense	5,220	1,655
<u>Supplies</u>		
Materials and supplies	9,010	10,190
Office supplies	943	91
<u>Other</u>		
Bad debts	46	19
Engineering	323	663
Legal and accounting	6,824	10,750
Insurance	10,585	8,845
Repairs and maintenance	465	4,485
Seminar expense	220	
Utilities	2,782	2,299
Telephone	758	1,024
Miscellaneous	4,452	1,003
<u>Depreciation</u>	<u>10,964</u>	<u>10,483</u>
<u>Total gas fund expenses</u>	<u>172,579</u>	<u>166,999</u>
<u>WATER FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries and wages	17,274	20,425
Payroll taxes	1,558	1,524
<u>Supplies</u>		
Materials and supplies	2,215	1,452
Office supplies	153	36

This schedule continued on next page.

TOWN OF GRAND COTEAU, LOUISIANA  
ENTERPRISE FUNDS  
SCHEDULE OF OPERATING EXPENSES (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>WATER FUND EXPENSES (Continued)</u>		
<u>Other</u>		
Legal and accounting	\$6,824	\$10,750
Insurance	8,468	9,567
Utilities	8,614	6,574
Repairs and maintenance	4,689	6,329
Bad debt expense	56	211
Telephone	1,537	1,381
Miscellaneous	1,332	761
Seminar expense	225	260
Engineering		1,195
<u>Depreciation</u>	<u>27,843</u>	<u>26,419</u>
<u>Total water fund expenses</u>	<u>80,788</u>	<u>86,884</u>
<u>SEWER FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries and wages	11,792	9,302
Payroll taxes	1,052	693
<u>Contractual services</u>		
Analysis expense	4,091	4,327
<u>Supplies</u>		
Materials and supplies	5,333	1,639
Office supplies		302
<u>Other</u>		
Bad debt expense	698	1,759
Engineering	2,830	4,720
Legal and accounting	5,884	4,100
Repairs and maintenance	18,058	7,255
Utilities	6,862	6,593
Insurance	2,320	2,683
Miscellaneous	358	1,821
<u>Depreciation</u>	<u>74,301</u>	<u>74,299</u>
<u>Total sewer fund expenses</u>	<u>133,579</u>	<u>119,493</u>
<u>Total operating expenses</u>	<u>386,946</u>	<u>373,376</u>

FIDUCIARY FUND TYPE

Fiduciary Fund Types include Trust and Agency Funds which are used to account for the assets held by a government in a trustee capacity or as an Agent for individuals, private organizations, other governments, and/or other funds.

The payroll account is used to account for the Town's payroll and related expenses.

TOWN OF GRAND COTEAU, LOUISIANA  
FIDUCIARY FUND TYPE  
BALANCE SHEET  
JUNE 30, 1998 AND 1997

	<u>AGENCY FUND -</u>	
	<u>PAYROLL ACCOUNT</u>	
	<u>1998</u>	<u>1997</u>
<u>ASSETS</u>		
Cash	\$4,796	\$7,213
Other receivable		1,092
Due from other funds	<u>12,517</u>	<u>4,064</u>
<u>Total assets</u>	<u>17,313</u>	<u>12,369</u>
<u>LIABILITIES</u>		
Payroll taxes payable	\$7,021	\$4,240
Retirement payable	257	150
Other payable	8,057	
Due to other funds	<u>1,978</u>	<u>7,979</u>
<u>Total liabilities</u>	<u>17,313</u>	<u>12,369</u>

FINANCIAL STATEMENTS OF ACCOUNT GROUPS



GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group accounts for fixed assets not used in proprietary fund operations or accounted for in trust funds.

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF GENERAL FIXED ASSETS  
JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>GENERAL FIXED ASSETS AT COST</u>		
Land	\$75,171	\$75,171
Buildings	199,854	198,619
Improvements other than buildings	39,362	31,744
Equipment	216,116	195,183
Other structures	<u>119,531</u>	<u>119,531</u>
<u>Total general fixed assets</u>	<u>650,034</u>	<u>620,248</u>
 <u>INVESTMENTS IN GENERAL FIXED ASSETS FROM</u>		
General Fund	\$251,250	\$227,962
Enterprise Funds	30,818	30,818
Sales Tax Fund	7,737	7,737
Federal Revenue Sharing Fund	26,615	26,615
Federal grants	327,614	321,116
State grants	<u>6,000</u>	<u>6,000</u>
<u>Total investments in general fixed assets</u>	<u>650,034</u>	<u>620,248</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-term Debt Account Group accounts for long-term debt intended to be financed from governmental funds.

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF GENERAL LONG-TERM DEBT  
JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>AMOUNT TO BE PROVIDED FOR THE</u>		
<u>PAYMENT OF GENERAL LONG-TERM DEBT</u>		
Amount to be provided for retirement of general long-term debt obligations	\$ <u>41,511</u>	\$ <u>47,261</u>
<u>Total to be provided</u>	<u>\$41,511</u>	<u>\$47,261</u>
<u>GENERAL LONG-TERM DEBT</u>		
Note payable - fire truck	\$26,400	\$35,200
Note payable - police car	7,302	10,961
Capital lease payable - police radar	224	1,100
Capital lease payable - copier	<u>7,585</u>	<u>          </u>
<u>Total general long-term debt</u>	<u>41,511</u>	<u>47,261</u>

RELATED REPORTS

John Newton Stout, CPA  
 Joel Lanclos, Jr., CPA  
 Russell J. Stelly, CPA  
 Dwight Ledoux, CPA  
 Chizal S. Fontenot, CPA  
 James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
 Darren J. Cart, CPA



**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
 (1904-1984)

Harold Dupre, CPA  
 Retired

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

The Honorable Mary Murray, Mayor  
 and Members of the Board of Aldermen  
 Town of Grand Coteau, Louisiana

We have audited the general purpose financial statements of the Town of Grand Coteau, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated November 30, 1998. In our report, our opinion on the financial statements was qualified because of the inadequacy of accounting records on general fixed assets and because insufficient audit evidence exists to support the Town of Grand Coteau's disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Grand Coteau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with 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 and questioned costs as findings numbers one, two and three.

Internal Control Over Financial Reporting

In planning and performing our audit we considered the Town of Grand Coteau'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 Town of Grand Coteau'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 and questioned costs as findings numbers four and five.

The Honorable Mary Murray, Mayor  
and Members of the Board of Alderman  
Page 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 and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider finding number four to be a material weakness.

This report is intended for the information of the Town of Grand Coteau, Louisiana, its Board of Alderman, the appropriate regulatory or legislative body and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*John S. Dowling & Company*  
Opelousas, Louisiana  
November 30, 1998

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the general purpose financial statements of the Town of Grand Coteau, Louisiana.
2. Three instances of noncompliance material to the financial statements of the Town of Grand Coteau, Louisiana were disclosed during the audit.
3. One material weakness and one reportable condition relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Statements Performed in Accordance with Government Auditing Standards.
4. There was no single audit required under OMB Circular A-133.

B. 1998 FINDINGS - FINANCIAL STATEMENT AUDIT

Compliance

REPEAT COMMENT

1. Inadequate Records for Fixed Assets

Condition:

The Town of Grand Coteau, Louisiana does not have adequate inventory records for general fixed assets. Annual physical inventories are not conducted.

Criteria:

Adequate records for general fixed assets are essential to prepare reliable financial statements. Annual physical inventories of property are required by LSA-RS 39:24.

Effect:

The amounts reported as general fixed assets may not be accurate for financial statement purposes and requires the independent auditor to qualify his opinion.

Recommendation:

A physical inventory should be taken annually for all movable property owned by the Town. We recommend that the Town place a value on all of the assets inventoried in order to obtain reasonable assurance that the amounts reported as general fixed assets are accurate for financial statement purposes.



TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 1998

REPEAT COMMENT

2. Bond Resolution and Council Policies

Condition:

The Town did not fully comply with the collection procedures for utility accounts receivable described in the Bond Resolution dated April 1, 1989, with the collection procedures passed by the Council in a meeting held on May 14, 1990, nor with the formal adoption made in a meeting held on September 22, 1995. This formal adoption stated that the Town would follow the collection procedures listed in the Bond Resolution.

Criteria:

The State Bond Commission requires that any town that has bonded debt be in full compliance with the Bond Resolution. The council approved procedures must be followed to ensure that accounts receivable remain current.

Effect:

Noncompliance with proper collection procedures resulted in some accounts becoming past due.

Recommendation:

The Town should fully comply with the collection procedures for utility accounts receivable described in the Bond Resolution.

3. Budget Amendment

Condition:

As of June 30, 1998, General Fund actual expenditures exceeded budgeted expenditures by 11 percent. Also, Special Revenue Fund actual expenditures exceeded budgeted expenditures by 25 percent.

Cause:

The allocation of expenditures was not done properly throughout the year to allow the budgeted expenditures to be allocated in the same manner.

Criteria:

State law requires that the budget be amended when actual expenditures exceed budgeted expenditures by more than 5 percent.

Effect:

The budget should properly be used as a tool to ensure that actual expenditures do not materially differ from budgeted expenditures.

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 1998

Recommendation:

The allocation of expenditures should be done properly throughout the year which would allow the budget to be utilized by the governing body of the Town in making financial decisions.

Internal Control

REPEAT COMMENT

4. Lack of Segregation of Duties

Condition:

During much of the fiscal year, the Town Clerk was required to work alone in the office which left the Town with a lack of segregation of duties. Often the Town Clerk is required to collect payments on account, make deposits and post the same deposit into the general ledger.

Criteria:

There should be a proper segregation of duties in performing the tasks mentioned above.

Effect:

Errors or fraud could occur during the year and go unnoticed.

Recommendation:

There can only be a proper segregation of duties when both the Town Clerk and the Assistant Clerk are working. However, if this is not the case, every attempt should be made to keep the general ledgers current which will allow the Mayor and Council to keep abreast of the Town's financial condition.

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 1998

REPEAT COMMENT

5. Accounts Receivable

Condition:

The accounts receivable balance per the general ledger is not being compared to the accounts receivable balance per the billing system.

Criteria:

Proper control over accounts receivable should be maintained.

Effect:

Errors or irregularities could be made in the recording of deposits, billings or adjustments without being noticed.

Recommendation:

The accounts receivable balance per the general ledger should be compared to the accounts receivable balance per the billing system at the end of each month. General ledgers should be kept current during the year to allow this procedure to be done.

OTHER SUPPLEMENTARY DATA

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 1998

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

- 1997-1     Inadequate Records for Fixed Assets  
                  Unresolved - REPEAT COMMENT
  
- 1997-2     Bond Resolution and Council Policies  
                  Unresolved - REPEAT COMMENT
  
- 1997-3     Payment Made in Lieu of Vacation  
                  Corrective action taken
  
- 1997-4     Lack of Segregation of Duties  
                  Unresolved - REPEAT COMMENT
  
- 1997-5     Billing Adjustments  
                  Corrective action taken
  
- 1997-6     Accounts Receivable  
                  Unresolved - REPEAT COMMENT

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings.

SECTION III - MANAGEMENT LETTER

No findings.

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED SCHEDULE OF BONDS PAYABLE  
JUNE 30, 1998

	<u>INTEREST</u>		<u>ISSUE DATE</u>	<u>FINAL MATURITY DATE</u>	<u>ANNUAL SERIAL PAYMENTS</u>	<u>BONDS</u>			
	<u>RATES</u>	<u>PAYMENT DATE</u>				<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
<u>REVENUE BONDS</u>									
Sewerage utility	11.00%	10/01 04/01	4/01/89	4/01/2019	Varies	\$222,454	\$222,454	\$15,625	\$206,829
Water utility	11.00%	10/01 04/01	4/01/89	4/01/2019	Varies	116,212	116,212	8,163	108,049
Sewerage utility	4.50%	17th of each month	2/17/95	2/17/2035	Varies	225,000	225,000	3,425	221,575
<u>Total revenue bonds</u>						<u>563,666</u>	<u>563,666</u>	<u>27,213</u>	<u>536,453</u>

TOWN OF GRAND COTEAU, LOUISIANA  
COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS  
JUNE 30, 1998

	<u>INTEREST RATES</u>	<u>MATURITY DATE</u>	<u>TOTAL BOOK VALUE</u>
<u>ENTERPRISE FUNDS</u>			
Certificate of Deposit Bank of Sunset and Trust Co.	5.00%	9/19/98	\$28,377
Certificate of Deposit Bank of Sunset and Trust Co.	5.00%	12/7/98	20,030
Certificate of Deposit Bank of Sunset and Trust Co.	5.00%	9/19/98	<u>819</u>
<u>Total</u>			<u>49,226</u>

TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF INSURANCE IN FORCE  
JUNE 30, 1998  
 (UNAUDITED)

<u>INSURER</u>	<u>ASSETS COVERED</u>	<u>TYPE OF COVERAGE</u>	<u>LIMITS OF COVERAGE</u>	<u>EFFECTIVE DATES</u> <u>FROM</u> <u>TO</u>
Louisiana Municipal Risk Management Agency	Workmen's Compensation	Workmen's Compensation	Statutory	1/1/98      12/31/98
Titan Indemnity Company	1979 Ford truck 1961 GMC fire truck 1984 Chevrolet truck 1991 GMC truck 1987 Ford truck 1983 Chevy dumptruck 1991 Chevrolet 1995 Ford sedan 1993 Chevrolet Caprice 1997 Ford F150 truck	Bodily injury Property damage	\$500,000	5/1/98      5/1/99
	Comprehensive and liability on premises and operations	Bodily injury Property damage	\$500,000	5/1/98      5/1/99
Western Surety Bond	Clerk and Assistant Clerk Mayor and Mayor Pro-Tem Town employees	Bond Bond Blanket Bond	\$52,000 \$71,000 \$5,000	9/15/97      9/15/98
The Hanover Insurance Company	Blanket on all properties and buildings of insured	Fire, extended coverage and vandalism	\$961,984 \$5,000 deductible	12/4/97      12/4/98
	1983 International tractor 1984 Ford backhoe 1996 Ford mower	Property damage	\$64,712 \$100 deductible	8/15/97      8/15/98
Titan Indemnity Company	Law enforcement officers and public officials	Personal injury Property damage Errors and omissions	\$500,000 \$2,500 each claimant \$1,000 each claimant for law enforcement	5/1/98      5/1/99
Nationwide Insurance Company	Volunteer firemen	Health and accident		7/25/97      7/25/98
The Hanover Insurance Company	Mechanical and breakdown of equipment	Property damage Replacement Mechanical and electrical breakdown of equipment	\$8,000 \$2,500 deductible \$500 deductible	12/4/97      12/4/98
Titan Indemnity Company	Physical damages on 1991 GMC truck 1995 Ford 1997 Ford F150	Property damage	Actual cash value OR cost of repair	5/1/98      5/1/99



TOWN OF GRAND COTEAU, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO MAYOR AND COUNCIL  
FOR THE YEAR ENDED JUNE 30, 1998

GENERAL

COMPENSATION PAID TO MAYOR AND COUNCIL

The compensation of the Town of Grand Coteau board members is included in the general administrative expenditures of the General Fund. On March 1, 1998, the board members pay increased from \$75 to \$150 per month and the mayor's compensation increased from \$300 to \$600 per month. Also, the board members pay for special meetings increased from \$37.50 to \$75.00.

	<u>COMPENSATION</u>
Mary Murray, Mayor P.O. Box 76 Grand Coteau, LA 70541 (318) 662-5471 Term expires December 31, 1998	\$6,000.00
Jean C. Coco, Alderwoman P.O. Box 312 Grand Coteau, LA 70541 (318) 662-3838 Term expires December 31, 1998	1,950.00
John Howard Broussard, Alderman P.O. Box 127 Grand Coteau, LA 70541 (318) 662-5436 Term expires December 31, 1998	1,912.50
Louis Gradney, Alderman P.O. Box 51 Grand Coteau, LA 70541 (318) 662-5730 Term expires December 31, 1998	1,912.50
Theogene Lavergne, Alderman P.O. Box 173 Grand Coteau, LA 70541 (318) 662-3738 Term expires December 31, 1998	1,912.50
Russell Richard, Jr., Alderman P.O. Box 117 Grand Coteau, LA 70541 (318) 662-3603 Term expires December 31, 1998	1,950.00

# Town of Grand Coteau

"THE TOWN WITH A BRIGHT FUTURE"

P.O. Drawer G  
Grand Coteau, Louisiana 70541  
(318) 662-5246

## OFFICIALS

MARY V. MURRAY, Mayor  
CLIFFORD MOORE, SR., Chief  
DENISE MOORE, CMC  
LORRAINE MARKS, Asst. Clerk  
JOHN LEWIS, Supervisor

## ALDERMEN

JOHN HOWARD BROUSSARD  
LOUIS GRADNEY  
JEAN COCO  
THEOGNE LAVERGNE  
RUSSELL ARNOLD RICHARD

DECEMBER 18, 1998

LEGISLATIVE AUDIT ADVISORY COUNCIL  
STATE OF LOUISIANA  
PO BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397  
ATTN: DANIEL G. KYLE, SECRETARY  
RE: MANAGEMENT CORRECTIVE PLAN

DEAR DR. KYLE:

THE TOWN OF GRAND COTEAU'S MAYOR AND TOWN COUNCIL RESPECTIVELY  
SUBMIT THE FOLLOWING CORRECTIVE ACTION PLAN IN REFERENCE TO  
MANAGEMENT CONTROL FINDINGS BY JOHN S. DOWLING & COMPANY,  
ACCOUNTING FIRM, IN THE TOWN'S AUDIT REPORT FOR THE YEAR ENDING  
JUNE 30, 1998:

BID AMENDMENT:

1. WE PLAN TO ALLOCATE EXPENDITURES PROPERLY THROUGH OUT THE  
YEAR TO BE WITHIN THE 5% VARIANCES.

SEGREGATION OF DUTIES:

2. WE PLAN TO SET UP PROPER SEGREGATION OF DUTIES SINCE BOTH THE  
TOWN CLERK AND THE ASSISTANT CLERK ARE BOTH WORKING.

FIXED ASSETS:

3. PLAN TO PURCHASE LABELS TO TAG ALL OF THE PROPERTIES SO THAT  
ADEQUATE RECORDS CAN BE KEPT. WE PLAN TO SECURE LABELS BY  
JANUARY 29, 1999. WE PLAN TO DO A PHYSICAL INVENTORY COUNT BY  
JUNE 30, 1999. INVENTORY LISTS WOULD THEN BE UPDATED AS NEEDED.

ACCOUNTS RECEIVABLE:

- 4 WE PLAN TO COMPARE THE ACCOUNT RECEIVABLE BALANCE PER THE GENERAL LEDGER TO THE ACCOUNT PAYABLE BALANCE PER THE BILLING REGISTER AT THE END OF EACH MONTH.
5. WE PLAN TO KEEP THE GENERAL LEDGER CURRENT.

THANK YOU FOR CONSIDERATION IN OUR PLAN OF ACTION ADDRESSING THE DEFICIENCIES IN THE TOWN'S AUDIT REPORT.

SINCERELY,

A handwritten signature in cursive script that reads "Mary V. Murray". The signature is written in black ink and is positioned above the printed name and title.

MARY V. MURRAY, MAYOR  
TOWN OF GRAND COTEAU