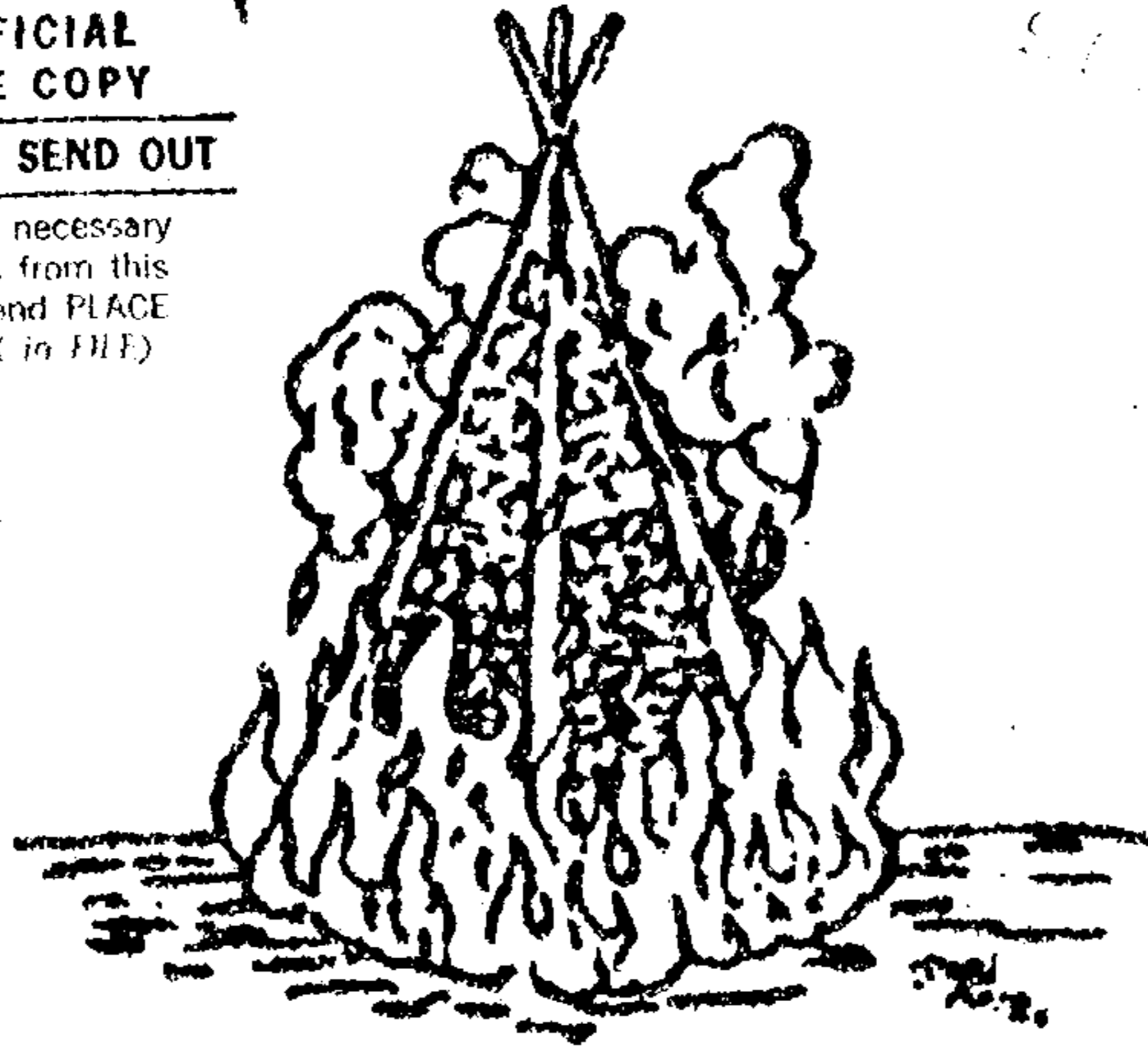


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Town of Gramercy

1998 Financial Statements

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

Release Date DEC 23 1998



TOWN OF GRAMERCY, LOUISIANA

FINANCIAL REPORT

JUNE 30, 1998



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Postlethwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

8550 UNITED PLAZA BLVD., SUITE 1001 • BATON ROUGE, LOUISIANA 70809 • TELEPHONE (504) 922-4600 • FAX (504) 922-4611

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Gramercy, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Gramercy, Louisiana, as of and for the year ended June 30, 1998. 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.

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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Gramercy as of June 30, 1998, and the results of its operations of its governmental funds for the year then ended and the results of its operations and cash flows of its proprietary funds for the two years ended June 30, 1998 and 1997, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 1998, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial statements of the individual funds and account groups and the other supporting schedules 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 Gramercy. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole, except for that information relating to the number of customers serviced by the water and sewer systems. This information was furnished to us from the Town, and we express no opinion on it.

Postlethwaite & Netterville

Baton Rouge, Louisiana
October 7, 1998



Postlethwaite & Netterville

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Gramercy, Louisiana

We have audited the general purpose financial statements of the Town of Gramercy, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated October 7, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Gramercy's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Finding: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic and space limitations.

Recommendation: No action recommended.

Management's response: We concur with the finding.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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. We believe that the lack of segregation of duties described above is a material weakness.

This report is intended for the information of the Board of Aldermen, management of the Town of Gramercy, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Postlethwaite, J. N. Atterville

Baton Rouge, Louisiana
October 7, 1998



TOWN OF GRAMERCY, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET
JUNE 30, 1998

	Governmental Fund Type	
	General	Debt Service
<u>ASSETS</u>		
Cash	\$ 136,130	\$ -
Investments	573,000	78,448
Accounts receivable (net of allowances for uncollectible accounts of \$4,709)	-	-
Property taxes receivable	111	939
Other accounts receivable (net of allowances for uncollectible accounts of \$3,128)	45,635	-
Prepaid insurance	21,933	-
Due from other funds	195,073	301
Due from other governmental agencies	54,638	-
Restricted assets:		
Cash and investments	-	-
General fixed assets	-	-
Fixed assets (net)	-	-
Amount to be provided for long-term debt	-	-
Amount available in debt service funds	-	-
Total assets	\$ 1,026,520	\$ 79,688
<u>LIABILITIES</u>		
Accounts payable	\$ 87,361	\$ -
Customer service meter deposits	-	-
Due to other funds	33,882	-
Payable from restricted assets:		
Accrued interest payable	-	-
Bonds payable - current portion	-	-
Bonds payable - non-current portion	-	-
General obligation bonds payable	-	-
Other liabilities	15,417	-
Total liabilities	136,660	-
<u>FUND EQUITY</u>		
Contributed capital (net)	-	-
Investment in general fixed assets	-	-
Retained earnings:		
Reserved for revenue bond debt service	-	-
Unreserved	-	-
Fund Balance:		
Unreserved - undesignated	889,860	29,298
Unreserved - designated for debt service	-	50,390
Total fund equity	889,860	79,688
Total liabilities and fund equity	\$ 1,026,520	\$ 79,688

The accompanying notes are an integral part of this statement.



Proprietary Fund Type	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-term Obligations	1998	1997
Enterprise				
\$ 166,467	\$ -	\$ -	\$ 302,597	\$ 383,067
524,640	-	-	1,176,088	935,632
63,639	-	-	63,639	53,020
-	-	-	1,050	804
-	-	-	45,635	34,874
-	-	-	21,933	-
33,581	-	-	228,955	165,524
-	-	-	54,638	52,447
323,061	-	-	323,061	299,575
-	317,984	-	317,984	271,204
2,414,439	-	-	2,414,439	2,473,128
-	-	310,945	310,945	341,711
-	-	50,390	50,390	47,070
<u>\$ 3,525,827</u>	<u>\$ 317,984</u>	<u>\$ 361,335</u>	<u>\$ 5,311,354</u>	<u>\$ 5,058,056</u>
\$ 24,316	\$ -	\$ -	\$ 111,677	\$ 46,953
47,845	-	-	47,845	42,482
195,073	-	-	228,955	165,524
8,655	-	-	8,655	9,126
56,227	-	-	56,227	49,649
690,561	-	-	690,561	746,789
-	-	361,335	361,335	388,781
3,543	-	-	18,960	18,099
<u>1,026,220</u>	<u>-</u>	<u>361,335</u>	<u>1,524,215</u>	<u>1,467,403</u>
2,209,040	-	-	2,209,040	2,238,636
-	317,984	-	317,984	271,204
258,179	-	-	258,179	240,799
32,388	-	-	32,388	(23,255)
-	-	-	919,158	816,199
-	-	-	50,390	47,070
<u>2,499,607</u>	<u>317,984</u>	<u>-</u>	<u>3,787,139</u>	<u>3,590,653</u>
<u>\$ 3,525,827</u>	<u>\$ 317,984</u>	<u>\$ 361,335</u>	<u>\$ 5,311,354</u>	<u>\$ 5,058,056</u>



TOWN OF GRAMERCY, LOUISIANA
ALL GOVERNMENTAL FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1998

	General	Debt Service	Totals Memorandum Only	
			1998	1997
REVENUES				
Ad valorem taxes	\$ 31,070	\$ 49,101	\$ 80,171	\$ 81,791
Sales taxes	301,035	-	301,035	302,007
Garbage fees	135,843	-	135,843	126,618
Licenses and permits	84,590	-	84,590	75,704
Intergovernmental revenue	66,009	-	66,009	58,029
Fines and forfeitures	45,414	-	45,414	63,793
Other revenue	137,118	1,827	138,945	139,940
Total revenues	<u>801,079</u>	<u>50,928</u>	<u>852,007</u>	<u>847,882</u>
EXPENDITURES				
Current operating expenditures:				
General government	192,085	-	192,085	194,350
Streets	235,209	-	235,209	159,180
Public safety	145,119	-	145,119	149,633
Sanitation	124,754	-	124,754	120,587
Fire department	1,681	-	1,681	1,936
Debt service expenditures:				
Principal retirement	-	27,446	27,446	27,007
Interest	-	19,434	19,434	20,613
Total expenditures	<u>698,848</u>	<u>46,880</u>	<u>745,728</u>	<u>673,306</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	102,231	4,048	106,279	174,576
<u>OTHER FINANCING USES</u>				
Transfers to other funds	-	-	-	15,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</u>	102,231	4,048	106,279	159,576
<u>FUND BALANCE</u>				
Beginning of year	<u>787,629</u>	<u>75,640</u>	<u>863,269</u>	<u>703,693</u>
End of year	<u>\$ 889,860</u>	<u>\$ 79,688</u>	<u>\$ 969,548</u>	<u>\$ 863,269</u>

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA
GENERAL AND DEBT SERVICE FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1998

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Ad valorem taxes	\$ 27,000	\$ 31,070	\$ 4,070
Sales taxes	285,000	301,035	16,035
Garbage fees	123,000	135,843	12,843
Licenses and permits	75,000	84,590	9,590
Intergovernmental revenue	53,500	66,009	12,509
Fines and forfeitures	40,000	45,414	5,414
Other revenue	125,200	137,118	11,918
Total revenues	728,700	801,079	72,379
<u>EXPENDITURES</u>			
Current operating expenditures:			
General government	187,550	192,085	(4,535)
Streets	198,800	235,209	(36,409)
Public safety	153,700	145,119	8,581
Sanitation	123,000	124,754	(1,754)
Fire department	2,000	1,681	319
Debt service expenditures:			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	665,050	698,848	(33,798)
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	63,650	102,231	38,581
<u>OTHER FINANCING USES</u>			
Transfers to other funds	-	-	-
<u>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</u>	63,650	102,231	38,581
<u>FUND BALANCE</u>			
Beginning of year	775,438	787,629	12,191
End of year	\$ 839,088	\$ 889,860	\$ 50,772

The accompanying notes are an integral part of this statement.



Debt Service Funds

Budget	Actual	Variance Favorable (Unfavorable)
\$ 51,500	\$ 49,101	\$ (2,399)
-	-	-
-	-	-
-	-	-
-	-	-
1,700	1,827	127
<u>53,200</u>	<u>50,928</u>	<u>(2,272)</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
27,600	27,446	154
19,350	19,434	(84)
<u>46,950</u>	<u>46,880</u>	<u>70</u>
6,250	4,048	(2,202)
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
6,250	4,048	(2,202)
<u>69,894</u>	<u>75,640</u>	<u>5,746</u>
<u>\$ 76,144</u>	<u>\$ 79,688</u>	<u>\$ 3,544</u>



TOWN OF GRAMERCY, LOUISIANA
PROPRIETARY FUNDS

COMPARATIVE STATEMENTS OF REVENUES,
EXPENSES, AND CHANGES IN RETAINED EARNINGS
YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>OPERATING REVENUES</u>		
Sales	\$ 464,575	\$ 443,474
Tap fees	14,965	12,093
Miscellaneous revenues	503	12,360
Total operating revenues	<u>480,043</u>	<u>467,927</u>
<u>OPERATING EXPENSES</u>		
Salaries	133,843	131,627
Legal fees	5,107	4,478
Office expenses	3,896	3,031
Miscellaneous expenses	3,590	462
Insurance	17,561	20,400
Supplies and maintenance	53,573	31,627
Vehicle expenses	7,524	5,760
Uniforms	440	533
Professional fees	12,055	6,250
Retirement	6,475	6,411
Electricity	32,155	35,480
Payroll taxes	1,165	1,307
Laboratory expenses	4,440	4,440
Chemicals	13,169	12,001
Depreciation	145,358	144,386
Total operating expenses	<u>440,351</u>	<u>408,193</u>
<u>INCOME FROM OPERATIONS</u>	39,692	59,734
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest revenues	36,018	29,726
Grant revenues (net)	8,244	(18,495)
Interest expense	(40,527)	(42,997)
Transfers from other funds	-	15,000
Net non-operating revenues (expenses)	<u>3,735</u>	<u>(16,766)</u>
<u>NET INCOME</u>	43,427	42,968
Depreciation transferred to contributed capital	<u>29,596</u>	<u>29,596</u>
<u>INCREASE IN RETAINED EARNINGS</u>	73,023	72,564
Retained earnings - beginning of year	<u>217,544</u>	<u>144,980</u>
Retained earnings - end of year	<u>\$ 290,567</u>	<u>\$ 217,544</u>

The accompanying notes are an integral part of these statements.



TOWN OF GRAMERCY, LOUISIANA
PROPRIETARY FUNDS

COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash received from customers	\$ 469,424	\$ 457,875
Cash payments to suppliers for goods and services	(129,178)	(92,338)
Cash payments to employees for services	(133,843)	(131,627)
Net cash provided by operating activities	<u>206,403</u>	<u>233,910</u>
 <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Transfers from other funds	-	15,000
Grant revenues (net)	8,244	(18,495)
Net cash provided by (used by) noncapital financing activities	<u>8,244</u>	<u>(3,495)</u>
 <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Proceeds from the issuance of additional revenue bonds	-	11,077
Acquisition of capital assets	(86,669)	(19,332)
Principal paid on revenue bonds	(49,650)	(48,188)
Interest paid on revenue bonds	(40,527)	(42,997)
Net cash used by capital and related financing activities	<u>(176,846)</u>	<u>(99,440)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest earned on investments	36,018	29,726
Net cash provided by investing activities	<u>36,018</u>	<u>29,726</u>
 Net increase in cash and cash equivalents	 73,819	 160,701
Cash and cash equivalents - beginning of year	<u>940,349</u>	<u>779,648</u>
Cash and cash equivalents - end of year	<u>\$ 1,014,168</u>	<u>\$ 940,349</u>

The accompanying notes are an integral part of these statements.



TOWN OF GRAMERCY, LOUISIANA
PROPRIETARY FUNDS

COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 1998 AND 1997

	1998	1997
<u>RECONCILIATION OF INCOME FROM OPERATIONS TO</u>		
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Income from operations	\$ 39,692	\$ 59,734
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	145,358	144,386
Uncollectible accounts	3,057	-
Net change in assets and liabilities:		
Accounts receivable	(13,676)	(4,058)
Due from other funds	(27,088)	(5,994)
Accounts payable	17,823	(37,653)
Customer service meter deposits	5,363	2,131
Other liabilities	(471)	(558)
Due to other funds	36,345	75,922
Total adjustments	166,711	174,176
Net cash provided by operating activities	\$ 206,403	\$ 233,910

The accompanying notes are an integral part of these statements.



TOWN OF GRAMERCY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The Town of Gramercy, Louisiana was incorporated on November 27, 1947, and operates under a Mayor - Board of Aldermen form of government. As authorized by its charter, the Town is responsible for public safety, highways and streets, sanitation, public improvements, and general administrative services.

The accounting and reporting practices of the Town of Gramercy conform to generally accepted accounting principles as applicable to governmental units. The Town's reporting entity applies all relevant Government Accounting Standards (GASB) pronouncements. The Town's proprietary funds apply all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB pronouncements prevail. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:517, to the guidance set forth in the *Louisiana Governmental Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies and practices:

Financial Reporting Entity

Statement No. 14 of the Governmental Accounting Standards Board (GASB), *The Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement No. 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any component units, which are defined by GASB Statement No. 14 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

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 comprises its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which the spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

TOWN OF GRAMERCY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies (continued)**

Fund Accounting (continued)

Governmental Funds

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

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 other funds.

Debt Service Funds - The 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 Funds

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 for sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise Funds - The Enterprise Funds are 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 the goods or services to the general public on a continuing basis be financed or recovered 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.

Fixed Assets and Long-term Obligations

The accounting and reporting treatment applied to fixed assets and long-term liabilities is determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental funds when purchased. The Town has not capitalized public domain ("infrastructure") fixed assets which consist of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. These assets are immovable and of value only to the Town; therefore, the need for cumulative accountability is not significant. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

TOWN OF GRAMERCY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies (continued)**

Fixed Assets and Long-term Obligations (continued)

Long-term obligations expected to be financed from governmental fund resources are accounted for in the General Long-term Obligation Account Group.

The proprietary fund type operations are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets.

Depreciation of all exhaustible fixed assets used by the proprietary funds is charged as an expense against their operations. Depreciation has been provided over the assets' estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Sewerage system	40 years
Waterworks system	40 years
Office equipment	5-10 years
Automotive equipment	3-5 years

All fixed assets are stated at historical cost.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property and sales taxes, interest revenue, and various intergovernmental revenues are susceptible to accrual. Fines, licenses, and permits are not susceptible to accrual because they are generally not measurable until received in cash.

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 the principal and interest on long-term debt which is recognized when due.

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

TOWN OF GRAMERCY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies (continued)**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Budgets and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is held to obtain taxpayer comments.
3. The budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. 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 originally estimated require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general, debt service, and proprietary funds are adopted on bases consistent with generally accepted accounting principles (GAAP).
7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

The level of budgetary control is total appropriations. Budgeted amounts for the year ended June 30, 1998, are as originally adopted.

TOWN OF GRAMERCY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies (continued)**

Cash and Investments

Cash and investments, which include demand deposit accounts, interest-bearing demand deposit accounts, and certificates of deposit, are stated at cost, which approximates market.

Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Accounts Receivable

Uncollectible amounts due from customers for utility services are recognized through the establishment of an allowance for uncollectible accounts account at the time information becomes available which indicates the uncollectibility of the particular receivable.

Accumulated Unpaid Vacation

Employees earn vacation leave at various rates depending upon the length of their employment. Employees must use their vacation leave in the year earned. Accordingly, no provision is made in the financial statements for unpaid vacation leave.

Operating Transfers In and Out

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. However, since its inclusion would make the statements unduly complex and difficult to read, comparative data (i.e., presentation of prior year totals by fund type) has not been presented in all of the statements.

Total Columns on Combined Statements

Total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Since interfund eliminations have not been made in the aggregation of this data, such data is not comparable to a consolidation.

TOWN OF GRAMERCY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies (continued)**

Statements of Cash Flows

For purposes of the statements of cash flows, the Town considers all highly liquid investments (including restricted assets) with original maturities of twelve months or less to be cash equivalents.

Encumbrances

Encumbrances accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

Reclassifications

Certain 1997 balances have been reclassified to conform with the 1998 financial statement presentation.

2. **Fixed Assets**

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>06/30/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/98</u>
Land	\$ 11,220	\$ -	\$ -	\$ 11,220
Buildings	133,087	2,430	-	135,517
Improvements other than buildings	7,821	-	-	7,821
Equipment	<u>119,076</u>	<u>53,976</u>	<u>9,626</u>	<u>163,426</u>
	<u>\$ 271,204</u>	<u>\$ 56,406</u>	<u>\$ 9,626</u>	<u>\$ 317,984</u>

A summary of proprietary fund type property, plant, and equipment at June 30, 1998 follows:

Land	\$ 76,825
Plant and equipment	<u>4,350,714</u>
	4,427,539
Less: Accumulated depreciation	<u>(2,013,100)</u>
	<u>\$ 2,414,439</u>

In accordance with Financial Accounting Standards Board Statement No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*, the Town capitalizes interest in connection with construction-in-progress for Proprietary Fund types. No interest was capitalized during the year ended June 30, 1998.

TOWN OF GRAMERCY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

3. Changes in Long-Term Debt

The following is a summary of long-term debt transactions which occurred during the year ended June 30, 1998:

	<u>Balance</u> <u>06/30/97</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>06/30/98</u>
1976 Waterworks Improvement bonds	\$ 20,695	\$ -	\$ 3,745	\$ 16,950
1976 Fire Protection bonds	48,086	-	8,701	39,385
1991 Sewer Improvement bonds - general obligation portion	320,000	-	15,000	305,000
Water Revenue Refunding bonds	86,438	-	19,650	66,788
1991 Sewer Improvement bonds	710,000	-	30,000	680,000
	<u>\$ 1,185,219</u>	<u>\$ -</u>	<u>\$ 77,096</u>	<u>\$ 1,108,123</u>

Bonds payable at June 30, 1998 were comprised of the following individual issues:

General Long-Term Debt

\$68,000 of Waterworks Improvement Bonds; due in annual installments of \$4,825, including interest at 5.00%, through March 24, 2002.

\$ 16,950

\$158,000 of Fire Protection Bonds; due in annual installments of \$11,210, including interest at 5.00%, through March 24, 2002.

39,385

\$400,000 of Sewer Improvements Bonds; due in various semi-annual installments, including interest at 4.95%, through April 1, 2011.

305,000

\$ 361,335

Public Utility Revenue Fund

\$200,000 of Water Revenue Refunding Bonds; due in monthly installments of \$2,138, including interest at 7.75%, through May 5, 2001; secured by the net income derived from the operation of the waterworks system.

\$ 66,788

TOWN OF GRAMERCY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

3. Changes in Long-Term Debt (continued)

Sewer Operating Fund

\$850,000 of Sewer Improvement bonds; due in various semi-annual installments, including interest at 4.95%, through April 2, 2012; secured by the sewer operating revenues in excess of those necessary to operate and maintain the system.

\$ 680,000

The annual requirements to amortize all outstanding revenue bonds as of June 30, 1998, including interest payments of \$415,688, are as follows:

<u>Year ending</u> <u>June 30,</u>	<u>Amount</u>
1999	\$ 140,454
2000	142,979
2001	138,118
2002	116,872
2003	97,867
Thereafter	<u>887,521</u>
	<u>\$ 1,523,811</u>

As part of the various Bond agreements the Town has agreed to comply with certain covenants. The covenants consist, primarily, of reporting and audit requirements, insurance coverage, restrictions on additional debt, maintenance of various deposit accounts, and other administrative requirements. The Town has not complied with some of these covenants; however, the applicable lending institutions have issued waivers regarding these covenants.

4. Ad Valorem Taxes

Ad valorem taxes attach as enforceable liens on all applicable property on February 28th of each year. Taxes are levied and are billed to the taxpayers in November of each year. Billed ad valorem taxes become delinquent on January 1st of the following calendar year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. James Parish. During the year ended June 30, 1998, taxes of 5.10 mills were levied on property with assessed valuations totaling \$6,100,058 for general purposes. Additional taxes of 8.06 mills were levied on the same property for the purpose of accumulating enough funds to service the annual debt requirements as they become due.

Ad valorem taxes levied during the year ended June 30, 1998 totaled approximately \$80,000.



TOWN OF GRAMERCY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

5. Interfund Receivables and Payables

Interfund receivables and payables at June 30, 1998 were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 195,073	\$ 33,882
Debt Service Funds	301	-
Enterprise Funds:		
Public Utility Revenue Fund	29,623	87,468
Sewer Operating Fund	3,958	107,605
	\$ 228,955	\$ 228,955

6. Excess of Expenditures over Appropriations in Individual Funds

The sewer operating fund's expenditures exceeded its revenues by \$32,432 during the fiscal year ended June 30, 1998, resulting in a negative balance of \$196,800 in its retained earnings account at June 30, 1998.

7. Defined Benefit Pension Plan

Substantially all employees of the Town of Gramercy are members of either the Municipal Employees' Retirement System of Louisiana or the Municipal Police Employees' Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

a. Municipal Employees' Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, which have separate assets and benefit provisions. All employees of the Town of Gramercy are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after the age of 60 with at least 10 years of creditable service or at or after the age of 55 with a least 25 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average monthly salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate their employment with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

TOWN OF GRAMERCY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

7. Defined Benefit Pension Plan (continued)

a. Municipal Employees' Retirement System of Louisiana (continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary to the system, and the Town of Gramercy is required to make contributions at an actuarially determined rate. The rate currently being paid by the Town is 5.75 percent of annual covered payroll. Contributions to the System also include 0.25 percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Gramercy are established and amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Gramercy's contributions to the System under Plan A during the years ending June 30, 1998, 1997, and 1996 were \$11,752, \$12,383, and \$12,256, respectively, equal to the required contributions for these years.

b. Municipal Police Employees' Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after the age of 50 with at least 20 years of creditable service or at or after the age of 55 with a least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of their final-average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate their employment with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.50 percent of their annual covered salary to the System, and the Town of Gramercy is required to make contributions at an actuarially determined rate. The rate currently being paid by the Town is 9.00 percent of annual covered payroll. The contribution requirements of plan members and the Town of Gramercy are established and amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Gramercy contributions to the System during the years ending June 30, 1998, 1997, and 1996 were \$7,176, \$6,967, and \$5,700, respectively, equal to the required contributions for these years.

TOWN OF GRAMERCY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

8. Segments of Enterprise Activities

Water and sewerage services are provided by the Town and are financed by user charges. The significant financial data for the year ended June 30, 1998 for these services are as follows:

	<u>Water</u>	<u>Sewerage</u>	<u>Total</u>
Operating revenues	\$ 315,865	\$ 164,178	\$ 480,043
Operating expenses	264,937	175,414	440,351
Depreciation	53,721	91,637	145,358
Income (loss) from operations	50,928	(11,236)	39,692
Net income (loss)	75,859	(32,432)	43,427
Acquisition of capital assets	86,669	-	86,669
Outstanding revenue bonds	66,788	680,000	746,788

9. Restricted Assets

Under the terms of the bond indentures for the water revenue refunding bonds and the sewer improvement bonds, certain revenues are dedicated to the retirement of said bonds, and are to be set aside into special accounts after provisions have been made for the payment therefrom of the reasonable and necessary expenses of operating and maintaining the utility systems.

The Town has been reclassifying a portion of its cash and investments as "restricted" on a monthly basis; however, the Town has not established all of the "restricted" accounts delineated in the bond indentures. All of the applicable lending institutions waived the violations of these covenants for the year ended June 30, 1998.

10. Due from Other Governmental Agencies

Amounts due from other governmental agencies at June 30, 1998, consisted of the following:

St. James Parish - sales taxes	\$ 50,785
P&M sales taxes	<u>3,853</u>
	<u>\$ 54,638</u>

11. Lease Agreements

On November 1, 1995, the Town entered into an operating lease agreement providing for the use of a particular piece of maintenance equipment. The lease extends over a three year period through November 1, 1998 and requires monthly payments of \$605.

The Town entered into an additional lease agreement providing for the use of a separate piece of maintenance equipment on July 24, 1997. This lease also extends over a three year period and requires monthly payments of \$1,128.

TOWN OF GRAMERCY, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

11. Lease Agreements (continued)

On December 18, 1997, the Town entered into a third lease agreement providing for the use of various pieces of computer equipment. This lease extends over a three year period through January 18, 2000 and requires monthly payments of \$120.

All three of the previously mentioned lease agreements have non-appropriation exculpatory clauses that allow for the cancellation of the agreements should the Town not make appropriations for their continuance during any subsequent fiscal periods. Lease expenditures totaled approximately \$20,000 during the year ended June 30, 1998.

12. Cash and Investments

At June 30, 1998, the carrying amounts of the Town's deposits were as follows:

Petty cash	\$ 225
Demand deposit accounts / savings accounts	380,820
Certificates of deposit	<u>1,420,701</u>
	<u>\$ 1,801,746</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by either federal deposit insurance or by the pledge of securities owned by a 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 bank. At June 30, 1998, the Town had \$1,800,404 in deposits (collected bank balances). Of these bank balances, \$200,854 was covered by federal depository insurance, and \$1,599,550 was secured by collateral owned by the fiscal agent bank.

FINANCIAL STATEMENTS OF
INDIVIDUAL FUNDS AND ACCOUNT GROUPS



GENERAL FUND

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



TOWN OF GRAMERCY, LOUISIANA
GENERAL FUND

COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash	\$ 136,130	\$ 150,391
Investments	573,000	453,000
Property taxes receivable	111	-
Other accounts receivable (net of allowances for uncollectible accounts of \$3,128 in 1998 and \$3,809 in 1997)	45,635	34,874
Due from other funds	195,073	158,729
Due from other governmental agencies	54,638	52,447
Prepaid insurance	21,933	-
Total assets	<u><u>\$ 1,026,520</u></u>	<u><u>\$ 849,441</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts payable	\$ 87,361	\$ 40,460
Other current liabilities	2,540	1,993
Due to other funds	33,882	6,796
Payroll taxes payable	3,632	3,208
Due to employees' retirement systems	9,245	9,355
Total liabilities	<u>136,660</u>	<u>61,812</u>
Fund balance	<u>889,860</u>	<u>787,629</u>
Total liabilities and fund balance	<u><u>\$ 1,026,520</u></u>	<u><u>\$ 849,441</u></u>

The accompanying notes are an integral part of these statements.



TOWN OF GRAMERCY, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1998
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
<u>REVENUES</u>				
Ad valorem taxes	\$ 27,000	\$ 31,070	\$ 4,070	\$ 28,761
Sales taxes	285,000	301,035	16,035	302,007
Garbage fees	123,000	135,843	12,843	126,618
Licenses and permits	75,000	84,590	9,590	75,704
Intergovernmental revenues:				
Tobacco	12,500	12,418	(82)	12,418
Beer	6,000	8,827	2,827	7,450
Video poker	35,000	44,764	9,764	38,161
Fines and forfeitures	40,000	45,414	5,414	63,793
Other	125,200	137,118	11,918	138,104
Total revenues	<u>728,700</u>	<u>801,079</u>	<u>72,379</u>	<u>793,016</u>
<u>EXPENDITURES</u>				
Current operating expenditures:				
General government	187,550	192,085	(4,535)	194,350
Streets	198,800	235,209	(36,409)	159,180
Public safety	153,700	145,119	8,581	149,633
Sanitation	123,000	124,754	(1,754)	120,587
Fire department	2,000	1,681	319	1,936
Total expenditures	<u>665,050</u>	<u>698,848</u>	<u>(33,798)</u>	<u>625,686</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	63,650	102,231	38,581	167,330
<u>OTHER FINANCING USES</u>				
Transfers to other funds	-	-	-	15,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</u>	63,650	102,231	38,581	152,330
<u>FUND BALANCE</u>				
Beginning of year	<u>775,438</u>	<u>787,629</u>	<u>12,191</u>	<u>635,299</u>
End of year	<u>\$ 839,088</u>	<u>\$ 889,860</u>	<u>\$ 50,772</u>	<u>\$ 787,629</u>

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA
GENERAL FUND

SCHEDULE OF OTHER REVENUE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1998

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1997

	<u>1998</u>		Variance Favorable (Unfavorable)	<u>1997</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<u>OTHER REVENUE</u>				
Utility franchise fees	\$ 39,000	\$ 38,095	\$ (905)	\$ 44,137
P&M sales taxes	-	21,048	21,048	19,687
Interest revenues	20,000	25,070	5,070	20,166
Collection fees	3,000	2,929	(71)	3,022
Cops fast grant revenues	39,000	18,889	(20,111)	19,755
Miscellaneous	24,200	31,087	6,887	31,337
Total other revenue	<u>\$ 125,200</u>	<u>\$ 137,118</u>	<u>\$ 11,918</u>	<u>\$ 138,104</u>

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1998

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1997

	<u>1998</u>		Variance Favorable (Unfavorable)	<u>1997</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<u>GENERAL GOVERNMENT</u>				
Legal and litigation fees	\$ 5,100	\$ 5,100	\$ -	\$ 5,100
Salaries	57,500	56,846	654	56,958
Professional fees	6,500	6,250	250	6,250
Electricity	7,000	8,332	(1,332)	7,413
Insurance	42,000	42,917	(917)	41,596
Supplies and maintenance	9,000	7,158	1,842	6,329
Miscellaneous	9,850	17,827	(7,977)	21,519
Retirement	3,500	3,044	456	3,087
Office expenses	20,000	20,476	(476)	19,941
Payroll taxes	1,000	753	247	878
Vehicle expenses	200	3,311	(3,111)	2,529
Capital outlay	14,000	9,508	4,492	11,069
Uncollectible accounts	500	-	500	-
Dues and subscriptions	7,000	5,815	1,185	7,543
Meetings and conventions	2,000	2,348	(348)	1,978
Planning commission	2,400	2,400	-	2,160
Total general government	<u>187,550</u>	<u>192,085</u>	<u>(4,535)</u>	<u>194,350</u>
<u>STREETS</u>				
Salaries	52,500	68,507	(16,007)	59,036
Miscellaneous	2,000	2,473	(473)	1,983
Retirement	3,000	2,233	767	2,885
Vehicle expenses	3,000	2,963	37	3,597
Uniforms	500	148	352	178
Insurance	14,500	14,664	(164)	15,443
Supplies and maintenance	13,000	59,291	(46,291)	19,633
Electricity	42,000	40,890	1,110	42,359
Interest expense	2,000	1,891	109	3,025
Capital outlay	65,000	40,250	24,750	9,802
Payroll taxes	1,300	1,899	(599)	1,239
Total streets	<u>198,800</u>	<u>235,209</u>	<u>(36,409)</u>	<u>159,180</u>

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1998

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
<u>PUBLIC SAFETY</u>				
Police:				
Cops fast grant expenses	\$ 46,600	\$ 25,526	\$ 21,074	\$ 21,496
Insurance	13,000	11,107	1,893	13,209
Uniforms	500	1,086	(586)	903
Retirement	5,500	5,689	(189)	5,590
Vehicle expenses	9,000	20,983	(11,983)	11,027
Salaries	63,000	59,050	3,950	60,948
Supplies and maintenance	2,500	6,132	(3,632)	7,100
Training expenses	1,000	928	72	273
Payroll taxes	1,300	962	338	1,232
Legal and litigation fees	2,000	-	2,000	-
Capital outlay	2,000	6,648	(4,648)	20,136
Miscellaneous	4,000	4,767	(767)	2,820
Total police	150,400	142,878	7,522	144,734
Emergency Preparedness:				
Salaries	1,800	1,425	375	1,680
Operating expenses	1,000	816	184	3,219
Capital outlay	500	-	500	-
Total emergency preparedness	3,300	2,241	1,059	4,899
Total public safety	153,700	145,119	8,581	149,633
<u>SANITATION</u>				
Solid waste disposal	123,000	124,754	(1,754)	120,587
Total sanitation	123,000	124,754	(1,754)	120,587
<u>FIRE DEPARTMENT</u>				
Insurance	2,000	1,681	319	1,936
Total fire department	2,000	1,681	319	1,936
Total all departments	\$ 665,050	\$ 698,848	\$ (33,798)	\$ 625,686

The accompanying notes are an integral part of this statement.



DEBT SERVICE FUNDS

To account for accumulation of funds and payments
of principal and interest on specified bond issues.



TOWN OF GRAMERCY, LOUISIANA
DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1997

	<u>1969</u> <u>Street</u> <u>Improvement</u>	<u>1969</u> <u>Waterworks</u> <u>Improvement</u>	<u>1976</u> <u>Waterworks</u> <u>Improvement</u>
<u>ASSETS</u>			
Investments	\$ 4,561	\$ 24,737	\$ 6,153
Property taxes receivable	-	-	100
Due from other funds	-	-	21
	-	-	21
Total assets	\$ 4,561	\$ 24,737	\$ 6,274
 <u>LIABILITIES AND FUND BALANCE</u>			
Total liabilities	\$ -	\$ -	\$ -
Fund Balance:			
Unreserved - designated for debt service	-	-	6,274
Unreserved - undesignated	4,561	24,737	-
	4,561	24,737	6,274
Total liabilities and fund balance	\$ 4,561	\$ 24,737	\$ 6,274

The accompanying notes are an integral part of this statement.



1976 Fire Protection	1991 Sewer Improvement	Total	
		1998	1997
\$ 14,985	\$ 28,012	\$ 78,448	\$ 74,534
231	608	939	804
49	231	301	302
<u>\$ 15,265</u>	<u>\$ 28,851</u>	<u>\$ 79,688</u>	<u>\$ 75,640</u>
\$ -	\$ -	\$ -	\$ -
15,265	28,851	50,390	47,070
-	-	29,298	28,570
<u>15,265</u>	<u>28,851</u>	<u>79,688</u>	<u>75,640</u>
<u>\$ 15,265</u>	<u>\$ 28,851</u>	<u>\$ 79,688</u>	<u>\$ 75,640</u>

TOWN OF GRAMERCY, LOUISIANA
DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1998
WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1997

	<u>1969</u> <u>Street</u> <u>Improvement</u>	<u>1969</u> <u>Waterworks</u> <u>Improvement</u>	<u>1976</u> <u>Waterworks</u> <u>Improvement</u>
<u>REVENUES</u>			
Taxes and penalties	\$ -	\$ -	\$ 5,301
Interest revenues	113	615	189
Total revenues	<u>113</u>	<u>615</u>	<u>5,490</u>
<u>EXPENDITURES</u>			
Principal retirement	-	-	3,745
Interest	-	-	1,080
Total expenditures	<u>-</u>	<u>-</u>	<u>4,825</u>
<u>EXCESS OF REVENUES OVER</u>			
<u>EXPENDITURES</u>			
	113	615	665
<u>FUND BALANCE</u>			
Beginning of year	<u>4,448</u>	<u>24,122</u>	<u>5,609</u>
End of year	<u>\$ 4,561</u>	<u>\$ 24,737</u>	<u>\$ 6,274</u>

The accompanying notes are an integral part of this statement.



1976 Fire Protection	1991 Sewer Improvement	Total	
		1998	1997
\$ 12,245	\$ 31,555	\$ 49,101	\$ 53,030
314	596	1,827	1,836
<u>12,559</u>	<u>32,151</u>	<u>50,928</u>	<u>54,866</u>
8,701	15,000	27,446	27,007
2,510	15,844	19,434	20,613
<u>11,211</u>	<u>30,844</u>	<u>46,880</u>	<u>47,620</u>
1,348	1,307	4,048	7,246
<u>13,917</u>	<u>27,544</u>	<u>75,640</u>	<u>68,394</u>
<u>\$ 15,265</u>	<u>\$ 28,851</u>	<u>\$ 79,688</u>	<u>\$ 75,640</u>



TOWN OF GRAMERCY, LOUISIANA
DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1998

	1969 Street Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes and penalties	\$ -	\$ -	\$ -
Interest revenues	100	113	13
Total revenues	100	113	13
<u>EXPENDITURES</u>			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	-	-	-
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>			
	100	113	13
<u>FUND BALANCE</u>			
Beginning of year	4,435	4,448	13
End of year	\$ 4,535	\$ 4,561	\$ 26

The accompanying notes are an integral part of this statement.



1969 Waterworks Improvement

Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
600	615	15
600	615	15
-	-	-
-	-	-
-	-	-
600	615	15
24,112	24,122	10
\$ 24,712	\$ 24,737	\$ 25



TOWN OF GRAMERCY, LOUISIANA
DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1998

	1976 Waterworks Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes and penalties	\$ 5,000	\$ 5,301	\$ 301
Interest revenues	150	189	39
Total revenues	5,150	5,490	340
<u>EXPENDITURES</u>			
Principal retirement	3,800	3,745	55
Interest	1,050	1,080	(30)
Total expenditures	4,850	4,825	25
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>			
	300	665	365
<u>FUND BALANCE</u>			
Beginning of year	4,750	5,609	859
End of year	\$ 5,050	\$ 6,274	\$ 1,224

The accompanying notes are an integral part of this statement.



1976 Fire Protection

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 12,500	\$ 12,245	\$ (255)
250	314	64
<u>12,750</u>	<u>12,559</u>	<u>(191)</u>
8,800	8,701	99
2,450	2,510	(60)
<u>11,250</u>	<u>11,211</u>	<u>39</u>
1,500	1,348	(152)
<u>11,998</u>	<u>13,917</u>	<u>1,919</u>
<u>\$ 13,498</u>	<u>\$ 15,265</u>	<u>\$ 1,767</u>

TOWN OF GRAMERCY, LOUISIANA
DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1998

	1991 Sewer Improvement		
	Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes and penalties	\$ 34,000	\$ 31,555	\$ (2,445)
Interest revenues	600	596	(4)
Total revenues	34,600	32,151	(2,449)
<u>EXPENDITURES</u>			
Principal retirement	15,000	15,000	-
Interest	15,850	15,844	6
Total expenditures	30,850	30,844	6
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	3,750	1,307	(2,443)
<u>FUND BALANCE</u>			
Beginning of year	24,599	27,544	2,945
End of year	\$ 28,349	\$ 28,851	\$ 502

The accompanying notes are an integral part of this statement.



Total		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 51,500	\$ 49,101	\$ (2,399)
<u>1,700</u>	<u>1,827</u>	<u>127</u>
<u>53,200</u>	<u>50,928</u>	<u>(2,272)</u>
27,600	27,446	154
<u>19,350</u>	<u>19,434</u>	<u>(84)</u>
<u>46,950</u>	<u>46,880</u>	<u>70</u>
6,250	4,048	(2,202)
<u>69,894</u>	<u>75,640</u>	<u>5,746</u>
<u>\$ 76,144</u>	<u>\$ 79,688</u>	<u>\$ 3,544</u>

ENTERPRISE FUNDS

Public Utility Revenue Fund - To account for the provision of water services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collection.

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



TOWN OF GRAMERCY, LOUISIANA
ENTERPRISE FUNDS

COMBINING BALANCE SHEET
JUNE 30, 1998
WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1997

ASSETS

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1998	1997
<u>CURRENT ASSETS</u>				
Cash	\$ 54,148	\$ 112,319	\$ 166,467	\$ 232,676
Investments	424,976	99,664	524,640	408,098
Accounts receivable (net of allowances for doubtful accounts of \$4,709 and \$5,301 in 1998 and and 1997, respectively	49,247	14,392	63,639	53,020
Due from other funds	29,623	3,958	33,581	6,493
Total current assets	<u>557,994</u>	<u>230,333</u>	<u>788,327</u>	<u>700,287</u>
<u>RESTRICTED ASSETS</u>				
Assets restricted for the retirement of the outstanding revenue bonds as well as for the replacement and extension of the utility system	105,542	217,519	323,061	299,575
Total restricted assets	<u>105,542</u>	<u>217,519</u>	<u>323,061</u>	<u>299,575</u>
<u>PROPERTY, PLANT, AND EQUIPMENT</u>				
Land	76,825	-	76,825	1,825
Plant and equipment	1,909,447	2,441,267	4,350,714	4,339,045
	<u>1,986,272</u>	<u>2,441,267</u>	<u>4,427,539</u>	<u>4,340,870</u>
Less: Allowance for depreciation	(1,092,674)	(920,426)	(2,013,100)	(1,867,742)
Net property, plant, and equipment	<u>893,598</u>	<u>1,520,841</u>	<u>2,414,439</u>	<u>2,473,128</u>
Total assets	<u>\$ 1,557,134</u>	<u>\$ 1,968,693</u>	<u>\$ 3,525,827</u>	<u>\$ 3,472,990</u>

The accompanying notes are an integral part of this statement.



LIABILITIES AND CAPITAL

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1998	1997
<u>CURRENT LIABILITIES</u>				
Accounts payable	\$ 21,908	\$ 2,408	\$ 24,316	\$ 6,493
Customer service meter deposits	47,845	-	47,845	42,482
Payable from restricted assets:				
Revenue bonds payable - due within one year	21,227	35,000	56,227	49,649
Accrued interest payable	355	8,300	8,655	9,126
Due to other funds	87,468	107,605	195,073	158,728
Other liabilities	-	3,543	3,543	3,543
Total current liabilities	<u>178,803</u>	<u>156,856</u>	<u>335,659</u>	<u>270,021</u>
<u>LONG-TERM LIABILITIES</u>				
Revenue bonds payable - due after one year	45,561	645,000	690,561	746,789
Total long-term liabilities	<u>45,561</u>	<u>645,000</u>	<u>690,561</u>	<u>746,789</u>
Total liabilities	<u>224,364</u>	<u>801,856</u>	<u>1,026,220</u>	<u>1,016,810</u>
<u>CAPITAL CONTRIBUTIONS</u>				
From federal grant for utility systems	844,408	303,523	1,147,931	1,147,931
From municipality grant for utility systems	445,108	1,128,406	1,573,514	1,573,514
	<u>1,289,516</u>	<u>1,431,929</u>	<u>2,721,445</u>	<u>2,721,445</u>
Less: Depreciation applicable to capital contributions	(444,113)	(68,292)	(512,405)	(482,809)
Net contributions	<u>845,403</u>	<u>1,363,637</u>	<u>2,209,040</u>	<u>2,238,636</u>
<u>RETAINED EARNINGS</u>				
Reserved for revenue bond debt service	83,960	174,219	258,179	240,799
Unreserved	403,407	(371,019)	32,388	(23,255)
Total retained earnings	<u>487,367</u>	<u>(196,800)</u>	<u>290,567</u>	<u>217,544</u>
Total capital	<u>1,332,770</u>	<u>1,166,837</u>	<u>2,499,607</u>	<u>2,456,180</u>
Total liabilities and capital	<u>\$ 1,557,134</u>	<u>\$ 1,968,693</u>	<u>\$ 3,525,827</u>	<u>\$ 3,472,990</u>

TOWN OF GRAMERCY, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 1998
WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1997

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1998	1997
<u>OPERATING REVENUES</u>				
Sales	\$ 308,362	\$ 156,213	\$ 464,575	\$ 443,474
Tap fees	7,000	7,965	14,965	12,093
Miscellaneous revenues	503	-	503	12,360
Total operating revenues	<u>315,865</u>	<u>164,178</u>	<u>480,043</u>	<u>467,927</u>
<u>OPERATING EXPENSES</u>				
Salaries	105,526	28,317	133,843	131,627
Legal fees	-	5,107	5,107	4,478
Office expenses	2,363	1,533	3,896	3,031
Miscellaneous expenses	3,435	155	3,590	462
Insurance	13,365	4,196	17,561	20,400
Supplies and maintenance	36,538	17,035	53,573	31,627
Vehicle expenses	7,113	411	7,524	5,760
Uniforms	440	-	440	533
Professional fees	8,930	3,125	12,055	6,250
Retirement	4,970	1,505	6,475	6,411
Electricity	15,172	16,983	32,155	35,480
Payroll taxes	900	265	1,165	1,307
Laboratory expenses	2,100	2,340	4,440	4,440
Chemicals	10,364	2,805	13,169	12,001
Depreciation	53,721	91,637	145,358	144,386
Total operating expenses	<u>264,937</u>	<u>175,414</u>	<u>440,351</u>	<u>408,193</u>
<u>INCOME (LOSS) FROM OPERATIONS</u>	50,928	(11,236)	39,692	59,734
<u>OTHER REVENUES</u>				
Interest revenues	22,577	13,441	36,018	29,726
Grant revenues	11,669	-	11,669	24,985
Transfers from other funds	-	-	-	15,000
	<u>34,246</u>	<u>13,441</u>	<u>47,687</u>	<u>69,711</u>
<u>OTHER CHARGES</u>				
Interest expense	5,890	34,637	40,527	42,997
Grant expenses	3,425	-	3,425	43,480
	<u>9,315</u>	<u>34,637</u>	<u>43,952</u>	<u>86,477</u>
<u>NET INCOME (LOSS)</u>	<u>\$ 75,859</u>	<u>\$ (32,432)</u>	<u>\$ 43,427</u>	<u>\$ 42,968</u>

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 1998
WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1997

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1998	1997
Retained earnings - beginning of year	\$ 389,500	\$ (171,956)	\$ 217,544	\$ 144,980
Net income (loss)	75,859	(32,432)	43,427	42,968
Depreciation transferred to contributed capital	22,008	7,588	29,596	29,596
Retained earnings - end of year	<u>\$ 487,367</u>	<u>\$ (196,800)</u>	<u>\$ 290,567</u>	<u>\$ 217,544</u>

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1998
WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1997

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1998	1997
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash received from customers	\$ 298,326	\$ 171,098	\$ 469,424	\$ 457,875
Cash payments to suppliers for goods and services	(82,696)	(46,482)	(129,178)	(92,338)
Cash payments to employees for services	(105,526)	(28,317)	(133,843)	(131,627)
Net cash provided by operating activities	110,104	96,299	206,403	233,910
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
Grant revenues (net)	8,244	-	8,244	(18,495)
Transfers from other funds	-	-	-	15,000
Net cash provided by (used by) noncapital financing activities	8,244	-	8,244	(3,495)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Proceeds from issuance of revenue bonds	-	-	-	11,077
Principal paid on revenue bond maturities	(19,650)	(30,000)	(49,650)	(48,188)
Acquisition of capital assets	(86,669)	-	(86,669)	(19,332)
Interest paid on revenue bonds	(5,890)	(34,637)	(40,527)	(42,997)
Net cash used by capital and related financing activities	(112,209)	(64,637)	(176,846)	(99,440)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest earned on investments	22,577	13,441	36,018	29,726
Net cash provided by investing activities	22,577	13,441	36,018	29,726
Net increase in cash and cash equivalents	28,716	45,103	73,819	160,701
Cash and cash equivalents - beginning of year	555,950	384,399	940,349	779,648
Cash and cash equivalents - end of year	\$ 584,666	\$ 429,502	\$ 1,014,168	\$ 940,349

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1998
WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1997

	Public Utility Revenue Fund	Sewer Operating Fund	Total	
			1998	1997
<u>RECONCILIATION OF INCOME</u>				
<u>(LOSS) FROM OPERATIONS</u>				
<u>TO NET CASH PROVIDED BY</u>				
<u>OPERATING ACTIVITIES</u>				
Income (loss) from operations	\$ 50,928	\$ (11,236)	\$ 39,692	\$ 59,734
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:				
Depreciation	53,721	91,637	145,358	144,386
Uncollectible accounts	3,057	-	3,057	-
Net change in assets and liabilities:				
Accounts receivable	(20,596)	6,920	(13,676)	(4,058)
Due from other funds	(26,223)	(865)	(27,088)	(5,994)
Due to other funds	25,468	10,877	36,345	75,922
Accounts payable	18,508	(685)	17,823	(37,653)
Accrued payables	(122)	(349)	(471)	(558)
Customer service meter deposits	5,363	-	5,363	2,131
Total adjustments	<u>59,176</u>	<u>107,535</u>	<u>166,711</u>	<u>174,176</u>
Net cash provided by operating activities	<u>\$ 110,104</u>	<u>\$ 96,299</u>	<u>\$ 206,403</u>	<u>\$ 233,910</u>

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA
ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND

COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 54,148	\$ 145,332
Investments	424,976	308,725
Accounts receivable (net of allowances for uncollectible accounts of \$3,454 and \$3,683 in 1998 and 1997, respectively)	49,247	31,708
Due from other funds	29,623	3,400
Total current assets	<u>557,994</u>	<u>489,165</u>
<u>RESTRICTED ASSETS</u>		
Assets restricted for the retirement of the outstanding revenue bonds as well as for the replacement and extension of the utility system	105,542	101,893
Total restricted assets	<u>105,542</u>	<u>101,893</u>
<u>PROPERTY, PLANT, AND EQUIPMENT</u>		
Land	76,825	1,825
Plant and equipment	1,909,447	1,897,778
	<u>1,986,272</u>	<u>1,899,603</u>
Less: allowance for depreciation	(1,092,674)	(1,038,953)
Net property, plant, and equipment	<u>893,598</u>	<u>860,650</u>
Total assets	<u><u>\$ 1,557,134</u></u>	<u><u>\$ 1,451,708</u></u>

The accompanying notes are an integral part of these statements.



LIABILITIES AND CAPITAL

	1998	1997
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 21,908	\$ 3,400
Customer service meter deposits	47,845	42,482
Payable from restricted assets:		
Revenue bonds payable - due within one year	21,227	19,649
Accrued interest payable	355	477
Due to other funds	87,468	62,000
Total current liabilities	178,803	128,008
<u>LONG-TERM LIABILITIES</u>		
Revenue bonds payable - due after one year	45,561	66,789
Total long-term liabilities	45,561	66,789
Total liabilities	224,364	194,797
<u>CAPITAL CONTRIBUTIONS</u>		
From federal grant for utility systems	844,408	844,408
From municipality grant for utility systems	445,108	445,108
	1,289,516	1,289,516
Less: Depreciation applicable to capital contributions	(444,113)	(422,105)
Net contributions	845,403	867,411
<u>RETAINED EARNINGS</u>		
Reserved for revenue bond debt service	83,960	81,766
Unreserved	403,407	307,734
Total retained earnings	487,367	389,500
Total capital	1,332,770	1,256,911
Total liabilities and capital	\$ 1,557,134	\$ 1,451,708

TOWN OF GRAMERCY, LOUISIANA
ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1998
WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
<u>OPERATING REVENUES</u>				
Sales	\$ 285,000	\$ 308,362	\$ 23,362	\$ 293,043
Tap fees	5,500	7,000	1,500	6,000
Miscellaneous revenues	2,000	503	(1,497)	4,086
Total operating revenues	<u>292,500</u>	<u>315,865</u>	<u>23,365</u>	<u>303,129</u>
<u>OPERATING EXPENSES</u>				
General and administrative:				
Salaries	18,500	17,933	567	17,197
Office expenses	1,500	2,363	(863)	1,821
Miscellaneous	250	126	124	89
Insurance	14,000	11,948	2,052	14,009
Professional fees	3,500	8,930	(5,430)	3,125
Uncollectible accounts	500	3,057	(2,557)	-
Retirement	1,100	1,031	69	1,074
Electricity	500	328	172	475
Payroll taxes	200	197	3	201
Depreciation	500	-	500	-
	<u>40,550</u>	<u>45,913</u>	<u>(5,363)</u>	<u>37,991</u>
Water treatment:				
Salaries	50,000	62,763	(12,763)	56,370
Miscellaneous	250	122	128	245
Insurance	1,500	1,237	263	1,448
Supplies and maintenance	7,000	12,099	(5,099)	6,003
Retirement	2,500	2,812	(312)	2,729
Uniforms	500	293	207	-
Payroll taxes	400	423	(23)	432
Laboratory expenses	2,100	2,100	-	2,100
Chemicals	12,500	10,364	2,136	8,261
Depreciation	40,000	46,005	(6,005)	45,568
Electricity	15,000	14,844	156	15,075
	<u>131,750</u>	<u>153,062</u>	<u>(21,312)</u>	<u>138,231</u>

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA
ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1998
WITH COMPARATIVE ACTUAL AMOUNTS AS OF JUNE 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
<u>OPERATING EXPENSES</u>				
<i>Distribution:</i>				
Salaries	\$ 28,000	\$ 24,830	\$ 3,170	\$ 29,096
Miscellaneous	100	130	(30)	126
Insurance	200	180	20	184
Supplies and maintenance	12,500	24,439	(11,939)	14,249
Vehicle expenses	2,500	7,113	(4,613)	5,198
Uniforms	500	147	353	533
Retirement	1,200	1,127	73	1,241
Payroll taxes	300	280	20	342
Depreciation	12,000	7,716	4,284	7,716
	<u>57,300</u>	<u>65,962</u>	<u>(8,662)</u>	<u>58,685</u>
Total operating expenses	<u>229,600</u>	<u>264,937</u>	<u>(35,337)</u>	<u>234,907</u>
<u>INCOME FROM OPERATIONS</u>	62,900	50,928	(11,972)	68,222
<u>OTHER REVENUES</u>				
Interest revenues	18,000	22,577	4,577	17,491
Grant revenues	263,364	11,669	(251,695)	24,985
Transfers from other funds	-	-	-	15,000
	<u>281,364</u>	<u>34,246</u>	<u>(247,118)</u>	<u>57,476</u>
<u>OTHER CHARGES</u>				
Interest expense	6,000	5,890	110	7,387
Grant expenses	263,364	3,425	259,939	43,480
Capital expenditures	83,000	-	83,000	-
	<u>352,364</u>	<u>9,315</u>	<u>343,049</u>	<u>50,867</u>
<u>NET INCOME</u>	<u>\$ (8,100)</u>	<u>\$ 75,859</u>	<u>\$ 83,959</u>	<u>\$ 74,831</u>

The accompanying notes are an integral part of this statement.



TOWN OF GRAMERCY, LOUISIANA
ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND

COMPARATIVE STATEMENTS OF CHANGES IN RETAINED EARNINGS
YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Retained earnings - beginning of year	\$ 389,500	\$ 292,661
Net Income	75,859	74,831
Depreciation transferred to contributed capital	<u>22,008</u>	<u>22,008</u>
Retained earnings - end of year	<u>\$ 487,367</u>	<u>\$ 389,500</u>

The accompanying notes are an integral part of these statements.



TOWN OF GRAMERCY, LOUISIANA
ENTERPRISE FUNDS - SEWER OPERATING FUND

COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 112,319	\$ 87,344
Investments	99,664	99,373
Accounts receivable (net of allowances for uncollectible accounts of \$1,255 and \$1,618 in 1998 and 1997, respectively)	14,392	21,312
Due from other funds	3,958	3,093
Total current assets	<u>230,333</u>	<u>211,122</u>
<u>RESTRICTED ASSETS</u>		
Assets restricted for the retirement of the outstanding revenue bonds as well as for the replacement and extension of the sewer system	217,519	197,682
Total restricted assets	<u>217,519</u>	<u>197,682</u>
<u>PROPERTY, PLANT, AND EQUIPMENT</u>		
Plant and equipment	2,441,267	2,441,267
	<u>2,441,267</u>	<u>2,441,267</u>
Less: allowance for depreciation	(920,426)	(828,789)
Net property, plant, and equipment	<u>1,520,841</u>	<u>1,612,478</u>
Total assets	<u><u>\$ 1,968,693</u></u>	<u><u>\$ 2,021,282</u></u>

The accompanying notes are an integral part of these statements.



LIABILITIES AND CAPITAL

	1998	1997
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 2,408	\$ 3,093
Payable from restricted assets:		
Revenue bonds payable - due within one year	35,000	30,000
Accrued interest payable	8,300	8,649
Other liabilities	3,543	3,543
Due to other funds	107,605	96,728
Total current liabilities	156,856	142,013
<u>LONG-TERM LIABILITIES</u>		
Revenue bonds payable - due after one year	645,000	680,000
Total long-term liabilities	645,000	680,000
Total liabilities	801,856	822,013
<u>CAPITAL CONTRIBUTIONS</u>		
From federal grant for utility systems	303,523	303,523
From municipality grant for utility systems	1,128,406	1,128,406
	1,431,929	1,431,929
Less: depreciation applicable to capital contributions	(68,292)	(60,704)
Net contributions	1,363,637	1,371,225
<u>RETAINED EARNINGS</u>		
Reserved for revenue bond debt service	174,219	159,033
Unreserved	(371,019)	(330,989)
Total retained earnings	(196,800)	(171,956)
Total capital	1,166,837	1,199,269
Total liabilities and capital	\$ 1,968,693	\$ 2,021,282



GENERAL FIXED ASSETS ACCOUNT GROUP

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



TOWN OF GRAMERCY, LOUISIANA

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS
JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
<u>GENERAL FIXED ASSETS</u>		
Land	\$ 11,220	\$ 11,220
Buildings	135,517	133,087
Improvements other than buildings	7,821	7,821
Equipment	<u>163,426</u>	<u>119,076</u>
Total general fixed assets	<u>\$ 317,984</u>	<u>\$ 271,204</u>
 <u>INVESTMENT IN GENERAL FIXED ASSETS</u>		
General fund revenues	\$ 256,606	\$ 209,826
Federal revenue sharing funds	29,959	29,959
State revenue sharing funds	<u>31,419</u>	<u>31,419</u>
Total investment in general fixed assets	<u>\$ 317,984</u>	<u>\$ 271,204</u>

The accompanying notes are an integral part of these statements.



GENERAL LONG-TERM DEBT OBLIGATIONS GROUP

To account for all long-term debt not being serviced by the revenues of a proprietary fund or nonexpendable trust fund

TOWN OF GRAMERCY, LOUISIANA

COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT
JUNE 30, 1998 AND 1997

	<u>Balance</u> <u>06/30/97</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>06/30/98</u>
1976 Waterworks Improvement bonds	\$ 20,695	\$ -	\$ 3,745	\$ 16,950
1976 Fire Protection bonds	48,086	-	8,701	39,385
1991 Sewer Improvement bonds - general obligation portion	<u>320,000</u>	<u>-</u>	<u>15,000</u>	<u>305,000</u>
	<u>\$ 388,781</u>	<u>\$ -</u>	<u>\$ 27,446</u>	<u>\$ 361,335</u>

The accompanying notes are an integral part of this statement.



SUPPORTING SCHEDULES



TOWN OF GRAMERCY, LOUISIANA

INSURANCE-IN-FORCE
JUNE 30, 1998

<u>Type of Coverage</u>	<u>Name of Insurer</u>	<u>Expiration Date</u>	<u>Coverage Limits</u>
Automobile liability	Scottsdale Indemnity	May 1, 1999	\$500,000
General liability	Scottsdale Indemnity	May 1, 1999	\$500,000
Law enforcement liability	National Casualty	May 1, 1999	\$500,000
Errors and omissions liability	Scottsdale Indemnity	May 1, 1999	\$500,000
Workers' compensation	Louisiana Workers' Compensation Company	May 1, 1999	Statutory
Position fidelity schedule bond	Fidelity and Deposit Company of Maryland	October 1, 1998	\$50,000
Employment practices liability	Scottsdale Indemnity	May 1, 1999	\$500,000
Commercial property	Scottsdale Indemnity	May 1, 1999	Various limits totalling \$1,329,199



PUBLIC UTILITY SYSTEM OPERATIONS
JUNE 30, 1998
(Without Audit)

Statistics on System Operations

- (a) As of June 30, 1998 the number of metered customers was 1,139 and 1,085 for the water and sewer systems, respectively. There were no unmetered customers for either the water or sewer systems at June 30, 1998.
- (b) The following rate schedules were in effect during the fiscal year ended June 30, 1998 for water and sewer services:

1. Water -	<u>Rate per</u> <u>1,000 Gallons</u>
Residential customers	
First 2,000 gallons or less	\$ 4.00
Next 3,000 gallons	2.50
Next 5,000 gallons	2.00
Next 5,000 gallons	1.85
Over 15,000 gallons	1.65
Commercial customers	
First 10,000 gallons or less	\$ 34.50
Over 10,000 gallons	1.75
Industrial customers	
First 50,000 gallons or less	\$ 172.50
Over 50,000 gallons	2.00

PUBLIC UTILITY SYSTEM OPERATIONS
JUNE 30, 1998
(Without Audit)

Statistics on System Operations (continued)

2. Sewer

Rate per gallons
of sewerage flow

Residential customers and small
commercial customers

\$9.25/month + \$0.42 / 1,000 gallons

Large commercial customers

\$32.00/month + \$0.42 / 1,000 gallons

Industrial customers

Monthly base rates ranging from \$50 to
\$750 (based on sewerage flow and the
biochemical oxygen demand of the
waste) plus \$0.21/1,000 gallons of
sewerage flow plus \$0.035/pound of
waste

(c) Average monthly billing per customer during the year ended June 30, 1998:

1. Water \$ 21.00

2. Sewer \$ 12.25

TOWN OF GRAMERCY, LOUISIANA

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
YEAR ENDED JUNE 30, 1998

	<u>Salaries during the year ended June 30, 1998</u>
Herman Bourgeois - Mayor	\$ 12,000
Eldrige Zeringue	3,900
Melissa Laurent	3,900
Betty Cooper Coleman	3,900
Ronald St. Pierre	3,900
Alvin St. Pierre, Jr.	3,900
Carl Spizale	11,667
Kenny Poche' - Chief of Police	<u>4,000</u>
	<u>\$ 47,167</u>



