



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

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CITY OF GRAMBLING

The City of Grambling closed 2012 with a deficit of almost \$635,000, but city officials say they are taking steps to reverse the negative fiscal picture, according to an audit released Monday by Legislative Auditor Daryl Purpera.

The report discloses that the city has sustained recurring losses from operations and has a deficit in the general fund “that raises substantial doubt about its ability to continue as a going concern.”

The report said city officials are reviewing salaries and staffing levels in all departments and plan to make pay cuts of at least 10 percent across the board. City officials also are examining other cost-cutting measures, have “greatly reduced” capital outlay costs for 2013, and raised water and sewer rates in November, 2012 as a way to generate more revenues, according to the audit.

According to the audit, performed by the certified public accounting firm of Allen, Green and Williamson, LLP of Monroe, monthly payments from water revenues to a bond sinking fund are not being made as the bond terms require. By the end of 2012, the fund was about \$73,000 under-funded in large part because of the “financial difficulties the city has experienced over the last few years.”

The audit said that the reserves that had been accumulated were tapped by city officials to fund city operations.

Other findings included:

- The city had a water meter deposit liability of \$96,050 and only \$76,657 in restricted cash on hand to cover the water meter deposit liability.
- Grambling has used its portion of a 0.5 percent sales tax, which was restricted for solid waste collection facilities, for general operating expenses, a violation of the restrictions placed on the use of the sales tax.

City officials said they have addressed or are working on solving the problems raised in the audit.

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