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**VILLAGE OF
GROSSE TETE, LOUISIANA**

FINANCIAL REPORT

December 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 08-23-00

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VILLAGE OF GROSSE TETE, LOUISIANA

Table of Contents

December 31, 1999

SECTION 1

FINANCIAL STATEMENTS AND SUPPLEMENTARY FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION		1
GENERAL PURPOSE FINANCIAL STATEMENTS		
Combined Balance Sheet - All Fund Types and Account Groups	<i>Exhibit A</i>	4
Combined Statements of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	<i>Exhibit B</i>	6
Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	<i>Exhibit C</i>	7
Comparative Statements of Revenues, Expenses and Changes In Accumulated Deficit - Proprietary Fund Type - Enterprise Fund	<i>Exhibit D</i>	10
Comparative Statements of Cash Flows - Proprietary Fund Type - Enterprise Fund	<i>Exhibit E</i>	11
Notes to Financial Statements		12
SUPPLEMENTARY INFORMATION		
Individual Fund And Account Group Statements And Schedules		
General Fund		
Comparative Balance Sheets	<i>Exhibit F-1</i>	25
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	<i>Exhibit F-2</i>	26
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	<i>Exhibit F-3</i>	27
Comparative Schedule of Expenditures Compared to Budget	<i>Exhibit F-4</i>	29
Volunteer Fire District Special Revenue Fund		
Combined Balance Sheets	<i>Exhibit G-1</i>	32
Combining Statements of Revenues, Expenditures and Changes in Fund Balance	<i>Exhibit G-2</i>	33
Combining Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	<i>Exhibit G-3</i>	34
Comparative Balance Sheets	<i>Exhibit G-4</i>	35
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance	<i>Exhibit G-5</i>	36
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	<i>Exhibit G-6</i>	37
Enterprise Fund		
Comparative Balance Sheets	<i>Exhibit H</i>	39

VILLAGE OF GROSSE TETE, LOUISIANA

Table of Contents, Continued

December 31, 1999

General Fixed Assets Account Group		
Comparative Schedule of General Fixed Assets By Source	<i>Exhibit I</i>	41
OTHER SUPPLEMENTARY INFORMATION		
Schedule of Insurance in Force (Unaudited)	<i>Schedule 1</i>	43
Schedule of Per Diem Paid to Board Members	<i>Schedule 2</i>	44
Schedule of Federal Financial Assistance	<i>Schedule 3</i>	45

SECTION II COMPLIANCE MATTERS AND INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROLS

Reports Required by the *Government Auditing Standards*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>		46
Schedule of Findings	<i>Schedule 4</i>	48
INDEPENDENT AUDITOR'S COMMENTS ON RESOLUTION OF PRIOR AUDIT FINDINGS		50



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

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

We have audited the accompanying general purpose financial statements of the Village of Grosse Tete, Louisiana, and the individual fund and account group financial statements of the Village as of and for the year ended December 31, 1999 as listed in the accompanying table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Grosse Tete, Louisiana, at December 31, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Also, in our opinion, the individual fund and account group financial statements referred to above present fairly, in all material respects the financial position of each of the individual funds and account groups of the Village of Grosse Tete, Louisiana, at December 31, 1999, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the individual fund and account group financial statements. The accompanying financial information listed as schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Village of Grosse Tete, Louisiana. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Such information, except for the "Schedule of Insurance in Force", marked unaudited, on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued reports dated May 18, 2000 on our consideration of the Village of Grosse Tete's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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

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

May 18, 2000

VILLAGE OF GROSSE TETE, LOUISIANA

General Purpose Financial Statements

December 31, 1999

VILLAGE OF GROSSE TETE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 1999

ASSETS AND OTHER DEBITS	Governmental Fund Types						Proprietary Fund Type			Account Groups			Totals	
	General		Special Revenue	Enterprise		Fixed Assets		General	Long-Term Debt	(Memorandum Only)		1999	1998	
Cash and cash equivalents	\$ 144,205	\$ 10,983	\$ 20,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,359	\$ 110,347		
Investments	210,642	52,580	6,736	-	-	-	-	-	-	-	269,958	260,872		
Receivables (net of allowance for uncollectibles)														
Taxes	6,335	-	-	-	-	-	-	-	-	-	6,335	5,638		
Accounts	-	-	12,218	-	-	-	-	-	-	-	12,218	9,316		
Other	-	-	-	-	-	-	-	-	-	-	-	942		
Intergovernmental	20,521	5,100	-	-	-	-	-	-	-	-	25,621	39,335		
Property, plant and equipment (net where applicable of accumulated depreciation)	-	-	89,916	887,184	-	-	-	-	-	-	977,100	940,833		
Due from other fund	20,085	-	-	-	-	-	-	-	-	-	20,085	12,829		
Amount to be provided for retirement of general long term debt	-	-	-	-	-	-	33,223	-	-	-	33,223	64,303		
Total Assets And Other Debits	\$ 401,788	\$ 68,663	\$ 129,041	\$ 887,184	\$ 33,223	\$ 1,519,899	\$ 1,444,415							

VILLAGE OF GROSSE TETE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups, Continued December 31, 1999

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types						Account Groups		Totals	
	General	Special Revenue	Proprietary Fund Type		General		Long-Term Debt	(Memorandum Only)		
			General	Enterprise	Fixed Assets	General				
	\$	\$	\$	\$	\$	\$	1999	1998		
Liabilities										
Account and payroll taxes payable	\$ 18,875	\$ 2,731	\$ 2,220	\$ -	\$ -	\$ -	\$ 23,826	\$ 54,125		
Due to other fund	-	5,142	14,943	-	-	-	20,085	12,829		
Capital leases payable	-	-	-	-	33,223	-	33,223	64,303		
Total liabilities	18,875	7,873	17,163	-	33,223	-	77,134	131,257		
Equity And Other Credits										
Investment in general fixed assets	-	-	-	887,184	-	-	887,184	845,413		
Contributed capital	-	-	123,649	-	-	-	123,649	123,649		
Accumulated deficit	-	-	(11,771)	-	-	-	(11,771)	(7,048)		
Unreserved	-	-	-	-	-	-	-	-		
Fund balances	-	60,790	-	-	-	-	60,790	64,007		
Reserved for fire protection	-	-	-	-	-	-	-	-		
Unreserved - undesignated	382,913	-	-	-	-	-	382,913	287,137		
Total equity and other credits	382,913	60,790	111,878	887,184	-	-	1,442,765	1,313,158		
Total Liabilities, Equity And Other Credits	\$ 401,788	\$ 68,663	\$ 129,041	\$ 887,184	\$ 33,223	\$ -	\$ 1,519,899	\$ 1,444,415		

VILLAGE OF GROSSE TETE, LOUISIANA

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

Year Ended December 31, 1999

	General	Special Revenue	Totals (Memorandum Only)	
			1999	1998
Revenues				
Taxes	\$ 31,935	\$ -	\$ 31,935	\$ 26,067
Licenses and permits	25,078	-	25,078	23,644
Intergovernmental	285,883	71,599	357,482	383,259
Fines	39,659	-	39,659	15,419
Grants	-	44,840	44,840	-
Interest	9,436	2,488	11,924	15,603
Miscellaneous	2,625	-	2,625	3,961
Total revenues	394,616	118,927	513,543	467,953
Expenditures				
Current				
General government	101,399	-	101,399	101,441
Public safety	55,033	37,580	92,613	96,648
Highways and streets	98,081	-	98,081	100,283
Health	3,183	-	3,183	7,633
LCDBG sewer grant	-	44,840	44,840	-
Culture and recreation	4,334	-	4,334	1,352
Capital outlay				
General government	-	-	-	6,867
Public safety	2,286	4,962	7,248	2,365
Culture and recreation	-	-	-	460
Highways and streets	34,524	-	34,524	176,329
Debt Service				
Principal	-	31,082	31,082	29,078
Interest charges	-	3,680	3,680	5,731
Total expenditures	298,840	122,144	420,984	528,187
Excess (Deficiency) Of Revenues Over Expenditures	95,776	(3,217)	92,559	(60,234)
Fund Balances				
Beginning	287,137	64,007	351,144	411,378
Ending	\$ 382,913	\$ 60,790	\$ 443,703	\$ 351,144

VILLAGE OF GROSSE TETE, LOUISIANA

Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended December 31, 1999

All Governmental Fund Types

	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues					
Taxes					
Franchise	\$ 24,500	\$ 31,935	\$ 7,435	\$ -	\$ -
Licenses and permits					
Business	25,100	25,078	(22)	-	-
Intergovernmental					
State shared revenues					
Video poker	102,000	90,784	(11,216)	-	-
Tobacco tax	3,000	3,369	369	-	-
Oil lease and royalties	-	-	-	-	-
Highway maintenance	1,700	1,695	(5)	-	-
Law enforcement	-	3,512	3,512	-	-
Alcoholic beverage tax	2,000	2,225	225	-	-
Iberville Parish shared revenues					
Sales and use tax	185,000	184,298	(702)	71,599	2,199
LCDBG grant	-	-	-	44,840	44,840
Fines	40,000	39,659	(341)	-	-
Interest	9,750	9,436	(314)	2,488	355
Miscellaneous	400	2,625	2,225	-	-
Total Revenues	393,450	394,616	1,166	118,927	47,394

VILLAGE OF GROSSE TETE, LOUISIANA

Combined Statements of Revenues, Expenditures and Changes in

Fund Balances - Budget and Actual

All Governmental Fund Types, Continued

Year Ended December 31, 1999

	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Expenditures					
Current					
General government	\$ 97,340	\$ 101,399	\$ (4,059)	\$ -	\$ -
Public safety	55,300	55,033	267	37,580	(2,020)
Highways and streets	117,285	98,081	19,204	-	-
Health	2,770	3,183	(413)	-	-
LCDBG sewer grant	-	-	-	44,840	(44,840)
Culture and recreation	3,800	4,334	(534)	-	-
Total current expenditures	276,495	262,030	14,465	82,420	(46,860)
Capital outlay					
General government	-	-	-	-	-
Public safety	2,300	2,286	14	4,962	38
Highways and streets	34,600	34,524	76	-	-
Total capital outlay	36,900	36,810	90	4,962	38
Debt service					
Principal	-	-	-	31,082	668
Interest	-	-	-	3,680	81
Total debt service	-	-	-	34,762	749
Total Expenditures	313,395	298,840	14,555	122,144	(46,073)

VILLAGE OF GROSSE TETE, LOUISIANA

Combined Statements of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual

All Governmental Fund Types, Continued

Year Ended December 31, 1999

	General Fund		Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 80,055	\$ 95,776	\$ 15,721	\$ (4,538)	\$ (3,217) \$ 1,321
Other Financing (Uses)					
Operating transfers out	(5,000)	-	5,000	-	-
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	75,055	95,776	20,721	(4,538)	(3,217) 1,321
Fund Balances					
Beginning	-	287,137	287,137	64,007	64,007 -
Ending	\$ 75,055	\$ 382,913	\$ 307,858	\$ 59,469	\$ 60,790 \$ 1,321

VILLAGE OF GROSSE TETE, LOUISIANA

***Comparative Statements of Revenues, Expenses and Changes in Accumulated Deficit
Proprietary Fund Type - Enterprise Fund*** ***Years Ended December 31, 1999 and 1998***

	1999	1998
Operating Revenues		
Charges for services		
Water sales	\$ 83,775	\$ 66,127
Service connection and other fees	11,565	10,905
Other operating revenue	1,882	1,371
	97,222	78,403
Operating Expenses		
Salaries and wages	25,923	26,128
Depreciation	6,434	6,341
Tools and supplies	5,192	2,457
Repairs and maintenance	1,396	1,870
Postage, printing and office supplies	1,837	1,476
Insurance and bonds	5,872	5,415
Bad debts	1,075	1,265
Professional services	4,050	4,743
Sewer expenses	3,488	5,321
Shared cost - Water District 4	44,809	26,960
Miscellaneous	2,145	923
	102,221	82,899
Operating (Loss)	(4,999)	(4,496)
Nonoperating Revenues		
Interest on investments	276	303
	(4,723)	(4,193)
Accumulated (Deficit)		
Beginning	(7,048)	(2,855)
Ending	\$ (11,771)	\$ (7,048)

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Statements of Cash Flows

Years Ended December 31, 1999 and 1998

Proprietary Fund Type - Enterprise Fund

	1999	1998
Reconciliation of Operating (Loss) to Net Cash Provided By		
Operating Activities		
Operating (loss)	\$ (4,999)	\$ (4,496)
Adjustments to reconcile operating (loss) to net cash provided by operating activities		
Depreciation	6,434	6,341
Provision for doubtful accounts	1,075	1,265
Change in assets and liabilities		
Increase in due to other funds	5,297	5,555
(Increase) in accounts receivable	(3,977)	(576)
Increase (decrease) in accounts payable and accrued expenses	(2,274)	2,710
Net Cash Provided By Provided By Operating Activities	1,556	10,799
Cash Flows From Investing Activities		
Interest on investments	276	303
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(931)	-
Increase In Cash And Cash Equivalents	901	11,102
Cash And Cash Equivalents		
Beginning	19,270	8,168
Ending	\$ 20,171	\$ 19,270

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements

December 31, 1999

1. Summary of Significant Accounting Policies

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

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

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

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

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

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1999

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

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

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

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

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

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

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

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1999

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

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

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

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

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

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

Investments are stated at cost or amortized cost.

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

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

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1999

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

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

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

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

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

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

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

Interfund Transactions. Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of the expenditures/expenses in the fund that is reimbursed.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1999

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

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

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

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

2. Legal Compliance - Budgets

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

- A. The Village Clerk prepares a proposed budget for submission to the Mayor and Board of Aldermen no later than 15 days prior to the beginning of the ensuing fiscal year.
- B. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- C. A public hearing is held on the proposed budget at least 10 days after publication of the call for the hearing.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1999

- D. After the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- E. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
- F. Formal budgetary integration is employed as a management control device during the year for the General Funds.
- G. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles.

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

3. Deposits and Investments

Under State law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The Village's deposits are categorized to give an indication of the level of risk assumed by the Village. The categories are described as follows.

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

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

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

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1999

At December 31, 1999	Bank Balance	Category			Carrying Amount
		1	2	3	
Deposits	\$ 180,724	\$ 100,000	\$ -	\$ 80,724	\$ 175,330
Certificates of deposit	269,958	100,000	-	169,958	269,958
Cash on hand	-	-	-	-	29
Total cash	\$ 450,682	\$ 200,000	\$ -	\$ 250,682	\$ 445,317

4. Receivables

Receivables at December 31, 1999, consist of the following.

	General	Special Revenue	Enterprise	Total
Receivables				
Accounts	\$ 6,335	\$ -	\$ 13,142	\$ 19,477
Intergovernmental	20,521	5,100	-	25,621
Gross receivables	26,856	5,100	13,142	45,098
Less allowance for uncollectible	-	-	924	924
Net total receivables	\$ 26,856	\$ 5,100	\$ 12,218	\$ 44,174

5. Fixed Assets

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

	Balance December 31, 1998	Additions	Retirements	Balance December 31, 1999
Land	\$ 10,969	\$ -	\$ -	\$ 10,969
Buildings	234,511	18,766	-	253,277
Improvements other than buildings	30,908	-	-	30,908
Equipment	569,025	23,005	-	592,030
Total	\$ 845,413	\$ 41,771	\$ -	\$ 887,184

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1999

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

	1999
Water system	\$ 258,940
Less accumulated depreciation	<u>169,024</u>
Net fixed assets	\$ 89,916

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

	Years
Water system	33-50
Equipment	3-10

6. Interfund Assets/Liabilities

Due from/to other funds.

Receivable Fund	Payable Fund	Amount
General	Enterprise	\$ 14,943
General	Special	<u>5,142</u>
		\$ 20,085

7. Retirement Commitments

Municipal Employees Retirement System of Louisiana (MERS)

Plan Description. All of the Village's full-time general employees participate in the MERS, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate Board of Trustees. MERS provides retirement, disability, and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. MERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809, or by calling (225) 925-4810.

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1999

Funding Policy. Plan members are required by state statute to contribute 9¼% of their annual covered salary and employers are required to contribute at an actuarially determined rate. The current employer rate is 5¼% of annual covered payroll. The contribution requirements of plan members and employers are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village's contributions to MERS for the years ending June 30, 1999, 1998, and 1997, were \$4,322, \$3,753, and \$3,840, respectively, and were equal to the required contributions for each year.

Municipal Police Employees Retirement System (MPERS)

Plan Description. All of the Village's full time police employees participate in the MPERS, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate Board of Trustees. MPERS provides retirement, disability, and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Police Employees Retirement System, 8401 United Plaza Boulevard, Suite 270, Baton Rouge, Louisiana, 70809, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7½% of their annual covered salary and employers are required to contribute at an actuarially determined rate. The current employer rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village's contributions to MPERS for the years ending December 31, 1999, 1998, and 1997 were \$1,053, \$1,057, and \$4,353, respectively, and were equal to the required contributions for each year.

8. Lease Commitments

On August 31, 1993, the Village entered into a municipal lease agreement with Emergency One, Inc. for the lease of a fire truck. The terms of the lease are for eight annual rental payments of \$35,571. The payments bear interest at 6.89%. The lease is cancelable on any anniversary date or at any time by paying a pro rata portion of the annual payment due. The lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term)

VILLAGE OF GROSSE TETE, LOUISIANA

Notes to Financial Statements, Continued

December 31, 1999

and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is an analysis of equipment leased under capital leases as of December 31, 1999.

	General Fixed Assets
Fire truck	\$ 35,512

Although the lease has a non-appropriation cancellation provision, the following is a schedule of the future minimum lease payments anticipated under this capital lease and the present value of the net minimum lease payments at December 31, 1999.

	General Long Term Debt
2000	\$ 33,223
Total minimum lease payments	33,223
Less amount representing interest	2,289
Present value of future minimum lease payments	\$ 35,512

9. Prior Year Amounts

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

VILLAGE OF GROSSE TETE, LOUISIANA

Supplementary Information

December 31, 1999

VILLAGE OF GROSSE TETE, LOUISIANA

Individual Fund and Account Group Statements and Schedules

December 31, 1999

VILLAGE OF GROSSE TETE, LOUISIANA

General Fund

December 31, 1999

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

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Balance Sheets
General Fund

December 31, 1999 and 1998

ASSETS	1999	1998
Assets		
Cash and cash equivalents	\$ 144,205	\$ 78,195
Investments	210,642	203,544
Receivables		
Other	-	942
Taxes	6,335	5,638
Intergovernmental	20,521	33,835
Due from other fund	20,085	12,829
	<hr/>	<hr/>
Total Assets	\$ 401,788	\$ 334,983
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts and payroll taxes payable	\$ 18,875	\$ 47,846
Fund Balance		
Unreserved - undesignated	382,913	287,137
	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ 401,788	\$ 334,983
	<hr/> <hr/>	<hr/> <hr/>

VILLAGE OF GROSSE TETE, LOUISIANA

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

December 31, 1999 and 1998

	1999	1998
Revenues		
Taxes	\$ 31,935	\$ 26,067
Licenses and permits	25,078	23,644
Intergovernmental	285,883	306,269
Fines	39,659	15,419
Interest	9,436	11,820
Miscellaneous	2,625	3,961
Total Revenues	394,616	387,180
Expenditures		
Current		
General government	101,399	101,152
Public safety	55,033	53,090
Highways and streets	98,081	100,523
Health	3,183	7,633
Culture and recreation	4,334	1,426
Total current expenditures	262,030	263,824
Capital outlay		
General government	-	6,867
Public safety	2,286	344
Culture and recreation	-	460
Highways and streets	34,524	176,329
Total capital outlay	36,810	184,000
Total Expenditures	298,840	447,824
Excess (Deficiency) of Revenues Over Expenditures	95,776	(60,644)
Fund Balance		
Beginning	287,137	347,781
Ending	\$ 382,913	\$ 287,137

VILLAGE OF GROSSE TETE, LOUISIANA

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

	1999			1998			Variance Favorable (Unfavorable)	Variance Favorable (Unfavorable)
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)		
	\$	\$	\$	\$	\$	\$		
Revenues								
Taxes								
Franchise	\$ 24,500	\$ 31,935	\$ 7,435	\$ 21,500	\$ 26,067	\$ 4,567		
Licenses and permits								
Business	25,100	25,078	(22)	25,000	23,644	(1,356)		
Intergovernmental								
State shared revenues								
Video poker	102,000	90,784	(11,216)	80,000	97,982	17,982		
Tobacco tax	3,000	3,369	369	3,000	3,369	369		
Alcoholic beverage tax	2,000	2,225	225	1,500	1,725	225		
Oil lease and royalties	-	-	-	1,800	1,791	(9)		
Highway maintenance	1,700	1,695	(5)	1,700	2,542	842		
Law enforcement	-	3,512	3,512	-	-	-		
Iberville Parish shared revenues								
Sales and use tax	185,000	184,298	(702)	215,000	198,860	(16,140)		
Fines	40,000	39,659	(341)	15,000	15,419	419		
Interest	9,750	9,436	(314)	12,700	11,820	(880)		
Miscellaneous	400	2,625	2,225	1,500	3,961	2,461		
Total Revenues	393,450	394,616	1,166	378,700	387,180	8,480		

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance

December 31, 1999 and 1998

Budget and Actual - General Fund, Continued

	1999			1998			Variance Favorable (Unfavorable)	Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual			
			\$			\$		
Expenditures								
Current								
General government	\$ 97,340	\$ 101,399	\$ (4,059)	\$ 102,675	\$ 101,152	\$ 1,523	\$ 1,523	
Public safety	55,300	55,033	267	57,700	53,090	4,610	4,610	
Highways and streets	117,285	98,081	19,204	102,225	100,523	1,702	1,702	
Health	2,770	3,183	(413)	7,325	7,633	(308)	(308)	
Culture and recreation	3,800	4,334	(534)	510	1,426	(916)	(916)	
Total current expenditures	276,495	262,030	14,465	270,435	263,824	6,611	6,611	
Capital outlay								
General government	-	-	-	6,000	6,867	(867)	(867)	
Public safety	2,300	2,286	14	350	344	6	6	
Culture and recreation	-	-	-	460	460	-	-	
Highways and streets	34,600	34,524	76	176,046	176,329	(283)	(283)	
Total capital outlay	36,900	36,810	90	182,856	184,000	(1,144)	(1,144)	
Total Expenditures	313,395	298,840	14,555	453,291	447,824	5,467	5,467	
Excess (Deficiency) of Revenues Over (Under) Expenditures	80,055	95,776	15,721	(74,591)	(60,644)	13,947	13,947	
Other Financing (Uses)								
Operating transfers out	(5,000)	-	5,000	-	-	-	-	
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing (Uses)	75,055	95,776	20,721	(74,591)	(60,644)	13,947	13,947	
Fund Balance								
Beginning	-	287,137	287,137	347,781	347,781	-	-	
Ending	\$ 75,055	\$ 382,913	\$ 307,858	\$ 273,190	\$ 287,137	\$ 13,947	\$ 13,947	

Exhibit F-4

VILLAGE OF GROSSE TETE, LOUISIANA
Comparative Schedule of Expenditures Compared to Budget
General Fund

Years Ended December 31, 1999 and 1998

	1999		1998		Variance	
	Budget	Actual	Budget	Actual	Favorable (Unfavorable)	Favorable (Unfavorable)
Current						
General government						
Salaries	\$ 32,300	\$ 33,902	\$ (1,602)	\$ 34,074	\$ (3,374)	\$ (3,374)
Per diem	11,400	10,800	600	8,100	(600)	(600)
Convention, meals and travel	8,475	10,971	(2,496)	5,881	619	619
Professional fees	20,000	12,831	7,169	22,413	7,587	7,587
Insurance and bonds	3,400	3,623	(223)	4,281	1,319	1,319
Telephone and utilities	7,100	7,162	(62)	6,774	1,726	1,726
Postage, printing and office supplies	2,700	3,493	(793)	2,126	(126)	(126)
Dues and subscriptions	1,330	1,372	(42)	845	(95)	(95)
Official journal	900	902	(2)	1,787	(237)	(237)
Miscellaneous	7,350	14,694	(7,344)	13,941	(5,941)	(5,941)
Uniforms	-	-	-	156	19	19
Building maintenance	2,385	1,649	736	774	626	626
Total general government	97,340	101,399	(4,059)	101,152	1,523	1,523
Public safety						
Police department						
Salaries	20,200	20,807	(607)	22,796	4	4
Retirement	1,000	855	145	610	(260)	(260)
Uniforms	2,700	2,929	(229)	242	1,358	1,358
Vehicle expense	3,300	4,336	(1,036)	3,588	(88)	(88)
Telephone	6,600	6,141	459	4,162	(162)	(162)
Tools and supplies	2,400	2,157	243	443	(43)	(43)
Miscellaneous	6,000	5,187	813	8,251	(201)	(201)
Insurance and bonds	13,100	12,621	479	12,998	4,002	4,002
Total police department	55,300	55,033	267	53,090	4,610	4,610
Total public safety	55,300	55,033	267	53,090	4,610	4,610

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Schedule of Expenditures Compared to Budget, Continued

General Fund

Years Ended December 31, 1999 and 1998

	1999		1998		Variance Favorable (Unfavorable)	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual		
Highways and streets						
Labor	\$ 60,290	\$ 61,329	\$ (1,039)	\$ 58,175	\$ 1,817	\$ 1,817
Street lights	21,930	4,782	17,148	17,000	16,010	990
Equipment operations	15,220	10,378	4,842	4,600	5,201	(601)
Street material, tools and supplies	5,775	4,772	1,003	3,500	4,863	(1,363)
Insurance	10,730	11,200	(470)	12,500	11,512	988
Miscellaneous	2,510	4,832	(2,322)	5,250	5,412	(162)
Telephone and utilities	830	788	42	1,200	1,167	33
Total highways and streets	117,285	98,081	19,204	102,225	100,523	1,702
Health						
Dog pound	2,400	2,654	(254)	7,000	7,470	(470)
Health service	370	529	(159)	325	163	162
Total health	2,770	3,183	(413)	7,325	7,633	(308)
Culture and recreation						
Miscellaneous	3,800	4,334	(534)	510	1,426	(916)
Total Current Expenditures	276,495	262,030	14,465	270,435	263,824	6,611
Capital Outlay						
General government	-	-	-	6,000	6,867	(867)
Public safety - police	2,300	2,286	14	350	344	6
Culture and recreation	-	-	-	460	460	-
Highways and streets	34,600	34,524	76	176,046	176,329	(283)
Total Capital Outlay Expenditures	36,900	36,810	90	182,856	184,000	(1,144)
Total Expenditures	\$ 313,395	\$ 298,840	\$ 14,555	\$ 453,291	\$ 447,824	\$ 5,467

VILLAGE OF GROSSE TETE, LOUISIANA

Special Revenue Fund

December 31, 1999

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

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

LCDBG Sewer Fund - this fund is used to account for a grant received from the State of Louisiana for the extension of sewer and water lines, and other improvements.

VILLAGE OF GROSSE TETE, LOUISIANA

**Combined Balance Sheets
Special Revenue Fund**

December 31, 1999

ASSETS	Volunteer Fire District	LCDGB Sewer Grant	Totals 1999
Assets			
Cash	\$ 9,603	\$ 1,380	\$ 10,983
Investments	52,580	-	52,580
Due from other governments	5,100	-	5,100
Total Assets	\$ 67,283	\$ 1,380	\$ 68,663
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 462	\$ 1,380	\$ 1,842
Due to other funds	5,142	-	5,142
Payroll taxes	86	-	86
Accrued expense	803	-	803
Total liabilities	6,493	1,380	7,873
Fund Balance			
Reserved for LCDGB sewer grant	-	-	-
Reserved for fire protection	60,790	-	60,790
Total fund balance	60,790	-	60,790
Total Liabilities and Fund Balance	\$ 67,283	\$ 1,380	\$ 68,663

VILLAGE OF GROSSE TETE, LOUISIANA

*Combining Statements of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Fund*

December 31, 1999

	Volunteer Fire District	LCDGB Sewer Grant	Totals
Revenues			
Intergovernmental			
Iberville Parish operating grant	\$ 71,599	\$ -	\$ 71,599
LCDBG grant income	-	44,840	44,840
Interest on investments	2,488	-	2,488
	<hr/>		
Total revenues	74,087	44,840	118,927
	<hr/>		
Expenditures			
Current			
Public safety - fire	37,580	-	37,580
LCDBG sewer grant	-	44,840	44,840
Capital outlays	4,962	-	4,962
Debt service			
Principal	31,082	-	31,082
Interest	3,680	-	3,680
	<hr/>		
Total expenditures	77,304	44,840	122,144
	<hr/>		
Excess of Revenues Over Expenditures	(3,217)	-	(3,217)
	<hr/>		
Fund Balance			
Beginning	64,007	-	64,007
	<hr/>		
Ending	\$ 60,790	\$ -	\$ 60,790
	<hr/> <hr/>		

VILLAGE OF GROSSE TETE, LOUISIANA

*Combining Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Special Revenue Fund*

Year Ended December 31, 1999

	Volunteer Fire District		LCDGR Sewer Grant		Total	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues						
Intergovernmental:						
Iberville Parish shared revenue	\$ 69,400	\$ 71,599	\$ -	\$ -	\$ 69,400	\$ 71,599
LCDBG grant income	-	-	44,840	44,840	-	44,840
Interest on investments	2,133	2,488	-	-	2,133	2,488
Total Revenues	71,533	74,087	44,840	44,840	71,533	118,927
Expenditures						
Current						
Public safety - fire department						
Insurance	13,425	11,615	-	-	13,425	11,615
Dues and subscriptions	25	25	-	-	25	25
Expense account	2,500	2,315	-	-	2,500	2,315
Miscellaneous	1,525	2,268	-	-	1,525	2,268
Maintenance	1,100	1,101	-	-	1,100	1,101
Professional service	-	2,280	-	-	-	2,280
Salaries	3,875	4,141	-	-	3,875	4,141
Supplies	8,740	9,085	-	-	8,740	9,085
Utilities	4,370	4,750	-	-	4,370	4,750
Total public safety	35,560	37,580	-	-	35,560	37,580
LCDBG sewer grant						
Bank Charges	-	-	20	20	-	20
Licenses and permits	-	-	20	20	-	20
Professional Fees	-	-	44,800	44,800	-	44,800
Total public safety	-	-	44,840	44,840	-	44,840
Capital outlay	5,000	4,962	-	-	5,000	4,962
Debt service						
Principal	31,750	31,082	-	-	31,750	31,082
Interest	3,761	3,680	-	-	3,761	3,680
Total debt service	35,511	34,762	-	-	35,511	34,762
Total Expenditures	76,071	77,304	44,840	44,840	76,071	122,144
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,538)	(3,217)	-	-	(4,538)	(3,217)
Fund Balance						
Beginning	64,007	64,007	-	-	64,007	64,007
Ending	\$ 59,469	\$ 60,790	\$ -	\$ -	\$ 59,469	\$ 60,790
						\$ 1,321

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Balance Sheets

December 31, 1999 and 1998

Volunteer Fire District Special Revenue Fund

ASSETS	1999	1998
Assets		
Cash	\$ 9,603	\$ 12,882
Investments	52,580	50,592
Due from other governments	5,100	5,500
Total Assets	\$ 67,283	\$ 68,974
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 462	\$ 186
Due to other funds	5,142	3,182
Payroll taxes	86	46
Accrued expense	803	1,553
Total liabilities	6,493	4,967
Fund Balance		
Reserved for fire protection	60,790	64,007
Total fund balance	60,790	64,007
Total Liabilities and Fund Balance	\$ 67,283	\$ 68,974

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Statements of Revenues, Expenditures

December 31, 1999 and 1998

and Changes in Fund Balance

Volunteer Fire District Special Revenue Fund

	1999	1998
Revenues		
Intergovernmental		
Iberville Parish operating grant	\$ 71,599	\$ 76,990
Interest on investments	2,488	3,783
	<hr/>	<hr/>
Total revenues	74,087	80,773
	<hr/>	<hr/>
Expenditures		
Current		
Public safety - fire	37,580	43,533
Capital outlays	4,962	2,021
Debt service		
Principal	31,082	29,078
Interest	3,680	5,731
	<hr/>	<hr/>
Total expenditures	77,304	80,363
	<hr/>	<hr/>
Excess of Revenues Over Expenditures	(3,217)	410
Fund Balance		
Beginning	64,007	63,597
	<hr/>	<hr/>
Ending	\$ 60,790	\$ 64,007
	<hr/> <hr/>	<hr/> <hr/>

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Years Ended December 31, 1999 and 1998
Volunteer Fire Department Special Revenue Fund

	1999		1998		Variance Favorable (Unfavorable)	Actual	Budget	Actual	Budget	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual						
	\$	\$	\$	\$						
Revenues										
Intergovernmental										
Iberville Parish shared revenue										
Interest on investments	2,133	2,488	355	3,783		1,530	3,783	1,530	2,253	(3,660)
Total Revenues	71,533	74,087	2,554	80,773		82,180	80,773	82,180	(1,407)	
Expenditures										
Current										
Public safety - fire department										
Insurance	13,425	11,615	1,810	11,365		12,000	11,365	12,000	635	
Dues and subscriptions	25	25	-	186		200	186	200	14	
Expense account	2,500	2,315	185	-		-	-	-	-	
Miscellaneous	1,525	2,268	(743)	2,571		750	2,571	750	(1,821)	
Maintenance	1,100	1,101	(1)	2,037		2,200	2,037	2,200	163	
Professional service	-	2,280	(2,280)	2,982		-	2,982	-	(2,982)	
Salaries	3,875	4,141	(266)	3,175		2,960	3,175	2,960	(215)	
Supplies	8,740	9,085	(345)	5,697		5,225	5,697	5,225	(472)	
Utilities	4,370	4,750	(380)	15,520		17,200	15,520	17,200	1,680	
Total public safety	35,560	37,580	(2,020)	43,533		40,535	43,533	40,535	(2,998)	
Capital outlay	5,000	4,962	38	2,021		2,500	2,021	2,500	479	
Debt service										
Principal	31,750	31,082	668	29,078		29,000	29,078	29,000	(78)	
Interest	3,761	3,680	81	5,731		6,511	5,731	6,511	780	
Total debt service	35,511	34,762	749	34,809		35,511	34,809	35,511	702	
Total Expenditures	76,071	77,304	(1,233)	80,363		78,546	80,363	78,546	(1,817)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,538)	(3,217)	1,321	410		3,634	410	3,634	(3,224)	
Fund Balance										
Beginning	64,007	64,007	-	63,597		63,597	63,597	63,597	-	
Ending	\$ 59,469	\$ 60,790	\$ 1,321	\$ 64,007		\$ 67,231	\$ 64,007	\$ 67,231	\$ (3,224)	

VILLAGE OF GROSSE TETE, LOUISIANA

Enterprise Fund

December 31, 1999

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

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

VILLAGE OF GROSSE TETE, LOUISIANA

**Comparative Balance Sheets
Enterprise Fund**

December 31, 1999 and 1998

ASSETS	1999	1998
Current Assets		
Cash	\$ 20,171	\$ 19,270
Investments	6,736	6,736
Accounts receivable, net of allowance for uncollectibles; 1999, \$924; 1998, \$783.	12,218	9,316
Total current assets	<u>39,125</u>	<u>35,322</u>
Plant And Equipment , at cost, net of accumulated depreciation; 1999, \$169,024; 1998, \$162,590.	89,916	95,420
Total Assets	<u>\$ 129,041</u>	<u>\$ 130,742</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities		
Accounts payable	\$ 2,220	\$ 4,494
Due to other funds	14,943	9,647
Total current liabilities	<u>17,163</u>	<u>14,141</u>
Fund Equity		
Contributed capital	123,649	123,649
Accumulated deficit	(11,771)	(7,048)
Unreserved	<u>(11,771)</u>	<u>(7,048)</u>
Total fund equity	<u>111,878</u>	<u>116,601</u>
Total Liabilities and Fund Equity	<u>\$ 129,041</u>	<u>\$ 130,742</u>

VILLAGE OF GROSSE TETE, LOUISIANA

General Fixed Assets Account Group

December 31, 1999

VILLAGE OF GROSSE TETE, LOUISIANA

Comparative Schedule of General Fixed Assets By Source December 31, 1999 and 1998
General Fixed Assets Account Group

General Assets, At Cost	1999	1998
Land	\$ 10,969	\$ 10,969
Buildings and improvements	253,277	234,511
Office equipment and furniture	25,703	25,703
Equipment	198,218	175,213
Vehicles	368,109	368,109
Park	22,780	22,780
Water lines and hydrants	8,128	8,128
	<hr/>	<hr/>
Total general assets, at cost	\$ 887,184	\$ 845,413

Investment In General Fixed Assets By Source

Acquired prior to July 1, 1974*	\$ 70,372	\$ 70,372
Acquired after June 30, 1974 from general fund revenues	816,812	775,041
	<hr/>	<hr/>
Total investment in general fixed assets by source	\$ 887,184	\$ 845,413

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

VILLAGE OF GROSSE TETE, LOUISIANA

Other Supplementary Information

December 31, 1999

VILLAGE OF GROSSE TETE, LOUISIANA

Schedule of Insurance in Force

December 31, 1999

Unaudited

Insurer	Coverage	Risk	Limits of Coverage	Expiration
Employer's Mutual Casualty Company	Public employees and Police Chief	Dishonesty	\$10,000	9/7/00
Audubon Indemnity Company	Vehicle fleet	Collision and comprehensive	ACV	10/19/00
Audubon Insurance Company - Commercial Island Marine	Equipment - tractors & mowers	Collision and physical damage	\$74,533	10/19/00
Louisiana Farm Bureau Mutual	All Village owned property	Fire and extended coverage	\$188,200	1/24/00
Louisiana Municipal Association Liability Program	All Village owned property and automobiles	Comprehensive general liability and automobile liability	Combined single limit \$500M	5/2/00
Louisiana Municipal Association	All employeecs	Workers' compensation	Statutory	1/1/00
Louisiana Municipal Association	Law enforcement officers	Comprehensive liability	Combined single limit \$500M	5/2/00
Louisiana Municipal Association	Public officials	Errors and omissions	Combined single limit \$500M	5/2/00

VILLAGE OF GROSSE TETE, LOUISIANA

Schedule of Per Diem

For the Year Ended December 31, 1999

Paid to Board Members

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

Schedule of Federal Financial Assistance

Year Ended December 31, 1999

Federal Grants/Program Title	State Grant Number	CFDA Number	Program or Award Amount	(Deferred) Accrued Revenue at January 1, 1999	Cash Received	Revenue Recognized	Expenditures	(Deferred) Accrued Revenue at December 31, 1999
U.S. Department of HUD								
Pass-Through - State of Louisiana								
LCDBG - Sewer Program	107-900390	14.228	\$ 368,068	\$ -	\$ 46,220	\$ 44,840	\$ 44,840	\$ (1,380)

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

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

We have audited the general purpose financial statements of the Village of Grosse Tete, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 18, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described in the accompanying schedule of findings, we consider item 1 to be a material weakness.

This report is intended for the information of the Mayor and Board of Aldermen, management and State of Louisiana oversight agencies, and is not intended to be and should not be used by anyone other than these specified parties.

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

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

May 18, 2000

VILLAGE OF GROSSE TETE, LOUISIANA

Schedule of Findings

Year Ended December 31, 1999

Finding 1. Separation of duties:

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

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

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

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

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

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

Finding 2. Policy for Public Equipment:

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

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

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

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

Response. Management is not aware of any compliance violations in connection with this matter.

VILLAGE OF GROSSE TETE, LOUISIANA

Schedule of Findings, Continued

Year Ended December 31, 1999

Finding 3. Collection of Occupational Licenses:

Condition. The Village has not collected occupational license taxes from all businesses in the Village.

Criteria. The Village has imposed an occupational license tax on all businesses operating in the Village. The tax is payable annually and is to be collected by the tax collector.

Cause. Management has not adequately monitored the collection activity.

Recommendation. Management should annually mail renewal forms to all businesses and monitor the collection of the tax.

Response. We will take appropriate action to enforce the collection of the tax from all businesses.

VILLAGE OF GROSSE TETE, LOUISIANA

Schedule of Findings, Continued

Year Ended December 31, 1999

The matters listed in the Schedule of Findings as Findings 1 and 2 are repeats of prior year's findings.

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

We have audited the general purpose financial statements of the Village of Grosse Tete, Louisiana for the year ended December 31, 1999, and have issued our report thereon dated May 18, 2000. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Generally Accepted Auditing Standards And Government Auditing Standards

As stated in our engagement letter dated November 12, 1999, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the general purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

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

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

Significant Accounting Policies

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

Management Judgments and Accounting Estimates

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

Significant Audit Adjustments

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

Other Information In Documents Containing Audited Financial Statements

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

Disagreements With Management

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

Consultation With Other Accountants

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

Difficulties Encountered in Performing the Audit

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

Material Contingencies

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

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

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

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

May 18, 2000