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**TOWN OF GRAND ISLE
LOUISIANA**
FINANCIAL REPORT
For the Fiscal Year Ended June 30, 1997

STANDARD & POOR'S

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 2-25-98

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined Balance Sheet - All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund and Special Revenue Funds	8
Statement of Revenues, Expenses and Changes in Retained Earnings - Enterprise Fund	10
Statement of Cash Flows - Enterprise Fund	11
Notes to Financial Statements	
Note A - Summary of Significant Accounting Policies	13
Note B - Stewardship, Compliance, and Accountability	18
Note C - Deposits and Investments	19
Note D - Receivables	20
Note E - Fixed Assets	21
Note F - Taxes Paid Under Protest	22
Note G - Long-Term Debt	23
Note H - Reservations and Designations of Fund Balances/Retained Earnings	24
Note I - Contributed Capital	25
Note J - Taxes	25
Note K - Interfund Transactions	26
Note L - Risk Management	27
Note M - Commitments and Contingencies	27

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

General Fund

Balance Sheet	32
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget	33
Schedule of Revenues - Actual and Budget	34
Schedule of Expenditures By Department - Actual and Budget	35

Special Revenue Funds

Combining Balance Sheet	42
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	44
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Actual and Budget - Totals By Function	47
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget:	
Ambulance District No. 2	48
Seizure and Forfeiture	49
Drainage District No. 1	50
Erosion Control Fund	51
Bridge Repair	52
Mosquito Control Fund	53
Recreation Fund	54
Community Center and Playground District No. 16	55
Bridge Lighting Fund	57
Riverboat Gambling Admission Fees	58

Enterprise Fund

Balance Sheet	60
Schedule of Revenues, Expenditures, and Changes in Retained Earnings - Actual and Budget	61
Schedule of Operating Expenses	62

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Agency Funds

Combining Balance Sheet	64
Combining Schedule of Changes in Deposit Balances Due to Others	65

OTHER SUPPLEMENTARY INFORMATION

Schedule of Payments to Aldermen	69
Schedule of Cash and Cash Equivalents	70
Schedule of Expenditures of Federal Awards	72

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	75
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	77

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, as of and for the fiscal year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

I was unable to obtain sufficient evidential matter from the Town to support the balances and financial activity in the appearance bond deposit liability account and the fines and forfeitures revenue account, nor was I able to satisfy myself as to those balances and financial activities by other auditing procedures. These balances and activities represent 42.6 percent and 6.5 percent of the liabilities and revenues, respectively, of the Town's General Fund.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to obtain sufficient records relating to the appearance bond deposit liability and the fines and forfeitures revenues, or had I been able to satisfy myself as to these balances and financial activities by other auditing procedures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund types for the fiscal year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 21, 1997 on my consideration of the Town's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and grants.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of the Town taken as a whole. The Combining and Individual Fund Statements and Schedules and the Other Supplementary Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Grand Isle, Louisiana. This information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, except for the effects of the item noted in the third paragraph, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Paul C. Brien, CPA

December 21, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF GRAND ISLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1997

ASSETS	GOVERNMENTAL FUND TYPES	
	GENERAL	SPECIAL REVENUE
Cash and cash equivalents	\$ 176,733	\$ 264,120
Receivables, net	106,368	131,353
Due from other funds	37,136	56,777
Inventory, at cost	0	0
Prepaid items	31,789	16,734
Restricted assets		
Cash and cash equivalents	0	0
Property, plant and equipment, net	0	0
Amounts to be provided for retirement of general long-term debt	0	0
TOTAL ASSETS	\$ 352,026	\$ 468,984
LIABILITIES, EQUITY AND OTHER CREDITS		
Liabilities		
Accounts payable	\$ 0	\$ 0
Accrued salaries and related liabilities	11,920	200
Due to other funds	56,138	15,873
Appearance bond deposits	50,461	0
Due to taxing bodies and others	0	0
Relief funds payable	0	0
Payable from restricted assets		
Customers' deposits	0	0
Due to other funds	0	0
Capital leases payable	0	0
TOTAL LIABILITIES	118,519	16,073
Equity and Other Credits		
Investment in general fixed assets	0	0
Contributed capital	0	0
Retained earnings		
Reserved	0	0
Unreserved	0	0
Fund Balance		
Reserved	41,436	48,734
Unreserved		
Designated	0	0
Undesignated	192,071	404,177
TOTAL EQUITY	233,507	452,911
TOTAL EQUITY AND OTHER CREDITS	233,507	452,911
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 352,026	\$ 468,984

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
		WATERWORKS AND GAS UTILITIES	AGENCY	GENERAL FIXED ASSETS	
\$ 413,858	\$ 10,263	\$ 0	\$ 0	\$ 864,974	
124,163	0	0	0	361,884	
10,022	0	0	0	103,935	
40,408	0	0	0	40,408	
21,077	0	0	0	69,600	
94,998	0	0	0	94,998	
1,534,526	0	3,167,501	0	4,702,027	
0	0	0	39,473	39,473	
<u>\$ 2,239,052</u>	<u>\$ 10,263</u>	<u>\$ 3,167,501</u>	<u>\$ 39,473</u>	<u>\$ 6,277,299</u>	
\$ 25,013	\$ 0	\$ 0	\$ 0	\$ 25,013	
1,204	0	0	0	13,324	
21,902	0	0	0	93,913	
0	0	0	0	50,461	
0	3,192	0	0	3,192	
0	7,071	0	0	7,071	
84,976	0	0	0	84,976	
10,022	0	0	0	10,022	
0	0	0	39,473	39,473	
<u>143,117</u>	<u>10,263</u>	<u>0</u>	<u>39,473</u>	<u>327,445</u>	
0	0	3,167,501	0	3,167,501	
931,000	0	0	0	931,000	
221,055	0	0	0	221,055	
943,880	0	0	0	943,880	
0	0	0	0	90,170	
0	0	0	0	0	
0	0	0	0	596,248	
<u>2,095,935</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,782,353</u>	
<u>2,095,935</u>	<u>0</u>	<u>3,167,501</u>	<u>0</u>	<u>5,949,854</u>	
<u>\$ 2,239,052</u>	<u>\$ 10,263</u>	<u>\$ 3,167,501</u>	<u>\$ 39,473</u>	<u>\$ 6,277,299</u>	

TOWN OF GRAND ISLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	GOVERNMENTAL FUND TYPES		TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	
REVENUES			
Taxes	\$ 442,216	\$ 18,906	\$ 461,122
Licenses and permits	79,322	0	79,322
Intergovernmental	497,671	202,238	699,909
Gaming fees and commissions	25,138	205,938	231,076
Fines and forfeitures	97,780	0	97,780
Charges for services	263,766	49,515	313,281
Miscellaneous	78,432	19,105	97,537
TOTAL REVENUES	1,484,325	495,702	1,980,027
EXPENDITURES			
Current			
General government	952,244	0	952,244
Public Safety	369,661	40,110	409,771
Public works	413,908	465,671	879,579
Health and welfare	0	62,322	62,322
Culture, recreation and tourism	25,614	157,160	182,774
TOTAL EXPENDITURES	1,761,427	725,263	2,486,690
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(277,102)	(229,561)	(506,663)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	17,225	6,317	23,542
Operating transfers out	(9,747)	(15,737)	(25,484)
TOTAL OTHER FINANCING SOURCES (USES)	7,478	(9,420)	(1,942)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(269,624)	(238,981)	(508,605)
FUND BALANCES			
Beginning of year	503,131	691,892	1,195,023
Residual equity transfers	0	0	0
End of year	\$ 233,507	\$ 452,911	\$ 686,418

TOWN OF GRAND ISLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ACTUAL AND BUDGET -
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	GENERAL FUND		VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL	BUDGET	
REVENUES			
Taxes	\$ 442,216	\$ 504,900	\$ (62,684)
Licenses and permits	79,322	77,500	1,822
Intergovernmental	497,671	470,000	27,671
Gaming fees and commissions	25,138	21,000	4,138
Fines and forfeitures	97,780	130,000	(32,220)
Charges for services	263,766	256,050	7,716
Miscellaneous	78,432	71,400	7,032
TOTAL REVENUES	1,484,325	1,530,850	(46,525)
EXPENDITURES			
Current			
General government	952,244	949,794	(2,450)
Public Safety	369,661	393,275	23,614
Public works	413,908	416,700	2,792
Health and welfare	0	0	0
Culture, recreation and tourism	25,614	25,750	136
TOTAL EXPENDITURES	1,761,427	1,785,519	24,092
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(277,102)	(254,669)	(22,433)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	17,225	59,748	(42,523)
Operating transfers out	(9,747)	0	9,747
TOTAL OTHER FINANCING SOURCES (USES)	7,478	59,748	(32,776)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(269,624)	(194,921)	(74,703)
FUND BALANCES			
Beginning of year	503,131	503,131	0
End of year	\$ <u>233,507</u>	\$ <u>308,210</u>	\$ <u>(74,703)</u>

SPECIAL REVENUE FUNDS			TOTALS (MEMORANDUM ONLY)		
ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 18,906	\$ 25,000	\$ (6,094)	\$ 461,122	\$ 529,900	\$ (68,778)
0	0	0	79,322	77,500	1,822
202,238	235,000	(32,762)	699,909	705,000	(5,091)
205,938	180,000	25,938	231,076	201,000	30,076
0	0	0	97,780	130,000	(32,220)
49,515	53,500	(3,985)	313,281	309,550	3,731
19,105	8,100	11,005	97,537	79,500	18,037
<u>495,702</u>	<u>501,600</u>	<u>(5,898)</u>	<u>1,980,027</u>	<u>2,032,450</u>	<u>(52,423)</u>
0	0	0	952,244	949,794	(2,450)
40,110	0	(40,110)	409,771	393,275	(16,496)
465,671	536,913	71,242	879,579	953,613	74,034
62,322	64,400	2,078	62,322	64,400	2,078
157,160	149,630	(7,530)	182,774	175,380	(7,394)
<u>725,263</u>	<u>750,943</u>	<u>25,680</u>	<u>2,486,690</u>	<u>2,536,462</u>	<u>49,772</u>
<u>(229,561)</u>	<u>(249,343)</u>	<u>19,782</u>	<u>(506,663)</u>	<u>(504,012)</u>	<u>(2,651)</u>
6,317	0	6,317	23,542	59,748	(36,206)
(15,737)	(59,748)	44,011	(25,484)	(59,748)	34,264
<u>(9,420)</u>	<u>(59,748)</u>	<u>50,328</u>	<u>(1,942)</u>	<u>0</u>	<u>(1,942)</u>
(238,981)	(309,091)	70,110	(508,605)	(504,012)	(4,593)
691,892	691,892	0	1,195,023	1,195,023	0
<u>\$ 452,911</u>	<u>\$ 382,801</u>	<u>\$ 70,110</u>	<u>\$ 686,418</u>	<u>\$ 691,011</u>	<u>\$ (4,593)</u>

TOWN OF GRAND ISLE, LOUISIANA

**WATERWORKS AND GAS UTILITY FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS - ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OPERATING REVENUES			
Water sales	\$ 624,528	\$ 648,300	\$ (23,772)
Gas sales	170,818	187,000	(16,182)
Service charges	3,385	3,100	285
Installation charges	4,618	3,500	1,118
Delinquent penalties	21,827	16,800	5,027
Miscellaneous	1,889	1,500	389
Total Operating Revenues	<u>827,065</u>	<u>860,200</u>	<u>(33,135)</u>
OPERATING EXPENSES			
Personal services	111,395	119,500	8,105
Contracted services	587,468	596,700	9,232
Materials and supplies	20,604	31,200	10,596
General and administrative	204,345	223,379	19,034
Depreciation and amortization	50,754	56,000	5,246
Depreciation on contributed assets	25,125	25,125	0
Total Operating Expenses	<u>999,691</u>	<u>1,051,904</u>	<u>52,213</u>
OPERATING INCOME (LOSS)	<u>(172,626)</u>	<u>(191,704)</u>	<u>19,078</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	20,555	15,500	5,055
Ad valorem taxes	85,363	80,000	5,363
Intergovernmental			
Federal - Community Development Grant	0	25,000	(25,000)
State - DOTD highway maintenance	12,701	12,700	1
Total Non-Operating Revenues (Expenses)	<u>118,619</u>	<u>133,200</u>	<u>(14,581)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(54,007)</u>	<u>(58,504)</u>	<u>4,497</u>
OPERATING TRANSFERS IN	3,430	0	3,430
OPERATING TRANSFERS OUT	(1,488)	0	(1,488)
NET INCOME (LOSS)	<u>(52,065)</u>	<u>(58,504)</u>	<u>6,439</u>
Add Back: Depreciation on contributed assets	25,125	25,125	0
RETAINED EARNINGS			
Beginning of Year	1,191,875	1,191,875	0
End of Year	<u>\$ 1,164,935</u>	<u>\$ 1,158,496</u>	<u>\$ 6,439</u>

TOWN OF GRAND ISLE, LOUISIANA

**ENTERPRISE FUND
STATEMENT OF CASH FLOWS
WATERWORKS AND GAS UTILITIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

CASH FLOWS FROM OPERATING ACTIVITIES	\$ (172,626)
Operating loss	
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation and amortization	50,754
Depreciation on contributed assets	25,125
(Increase) decrease in assets:	
Accounts receivable	7,263
Due from other funds	(4,011)
Inventory	(9,893)
Prepays	3,174
Increase (decrease) in liabilities:	
Accounts payable	(24,192)
Accrued salaries	(26)
Customer deposits	1,608
Due to other funds	(4,087)
Net adjustments	<u>45,715</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(126,911)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Ad valorem taxes	85,363
Receipts under DOTD maintenance contract	12,701
Operating transfers in	3,430
Operating transfers out	(1,488)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>100,006</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of property and equipment	<u>(7,526)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>20,555</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,876)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	522,732
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>508,856</u>

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the TOWN OF GRAND ISLE, LOUISIANA (the "Town") 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 Town's significant accounting policies are described below.

1. Reporting Entity

Under GASB's Codification of Governmental Accounting and Financial Reporting Standards Section 2100, the financial reporting entity consists of the primary government (the "Town") and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing body, and 1) the ability of the primary government to impose its will on that organization, or 2) whether the potential exists for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. Additionally, a component unit can be an organization for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the Town's reporting entity as blended component units because of the significance of their operational or financial relationships with the Town.

Playground Town No. 16 of Jefferson Parish

The above noted Districts are legally separate entities from the Town and are funded primarily by taxes and fees levied by the Parish of Jefferson, however, under agreement with the Parish, the entities are governed by the same elected officials that govern the Town. For financial reporting purposes, these entities are reported as if they were part of the Town's operations.

During the 96/97 fiscal year, the operating and fiscal responsibilities of Ambulance District No. 2 were handed over to the Grand Isle Volunteer Emergency Services (GIVES) board. The Town has no oversight over this board, thus, the Ambulance District No. 2 Special Revenue Fund was closed as of June 30, 1997.

2. Description of Activities

The Town was incorporated on June 15, 1959, under the provisions of the Lawrason Act (LRS 33:321 - 481). The Town is governed by a Mayor-Board of Alderman form of government. Services provided by the Town include general government activities, public works, public safety, health and welfare and culture and recreation programs. The Town also provides waterworks and gas utilities.

3. Fund Accounting

The Town 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.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The Town's fund types have been classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund-types".

Governmental funds are used to account for all or most of the Town's general activities, including the collection and disbursement of earmarked monies (special revenue funds), and the acquisition or construction of general fixed assets (capital project funds). The general fund is used to account for all activities of the town 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. Goods or services from such activities are typically provided to outside parties (enterprise funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent, such as protested taxes or donated emergency relief funds.

4. 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 statement of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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

In accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, it is the policy of the Town's proprietary funds to apply all applicable GASB pronouncements, as well as all Financial Accounting Standards Board (FASB) statements, interpretations, accounting principles board opinions and accounting research bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes and sales taxes are considered 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, except for unmatured interest on general long-term debt, which is recognized when due.

Those revenues susceptible to accrual are property taxes, sales taxes, franchise taxes, interest revenue, charges for services, and intergovernmental revenues, such as grants and/or taxes collected by intermediary governments. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

The Town may also report deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable and available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability of deferred revenue is removed from the combined balance sheet and revenue is recognized.

5. Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year for the General, Special Revenue Funds, and the Proprietary Fund. Formal budgetary accounting for the Capital Project Fund is not used due to the relative insignificance and infrequency of activity. Effective control over expenditures is maintained by requiring Aldermen approval on any expenditures.

Expenditures may not exceed budgeted appropriations at the division or department level. Expenditures may not exceed appropriations until additional appropriations have been provided. All annual appropriations which are not expended nor encumbered lapse at year end.

Budgets are adopted for the General, Special Revenue, and Proprietary Funds on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons presented in the accompanying financial statements are on this GAAP basis.

6. Encumbrances

Encumbrance accounting is not utilized by the Town.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Cash and Investments

Cash and cash equivalents shown on the face of the Combined Balance Sheet include amounts in demand deposits, petty cash, certificates of deposit with maturities of less than 90 days, and shares in the Louisiana Asset Management Pool (LAMP).

Investments are stated at cost or amortized cost. Louisiana Revised Statutes (LSA-RS 33:2955) authorize the Town to invest in (1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government, (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, (3) direct security repurchase agreements of any federal book entry only securities, (4) time certificates of deposits of state banks organized under the laws of Louisiana and national banks having their principal offices in the state of Louisiana, savings accounts or shares of savings and loan associations, (5) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies, or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

For the purposes of the statement of cash flows, the Proprietary Fund considers its investment in LAMP and all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents.

8. Short-term Interfund Receivables/Payables

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

9. Inventories

The cost of material and supplies acquired by governmental funds are recorded as expenditures at the time of purchase. The inventory of such materials and supplies at June 30, 1997 would not be material to the financial statements. The inventory of the Proprietary Fund is stated at the lower of cost or market, determined by a first-in, first-out method.

10. Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 1997 are recorded as prepaid items. Prepaid insurance represents the majority of this balance.

11. Restricted Assets

Funds on hand which represent "customer meter deposits" are classified as restricted assets on the balance sheet of the enterprise fund since these funds may only be used for the payment of any outstanding water bills when customers discontinue service.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. 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 asset account group. All purchased fixed assets are valued at cost, where historical records are available, and at estimated historical costs where no historical records exist. Donated fixed assets are valued at their 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. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, rock jetties, drainage and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed asset account group are not depreciated. Depreciation of buildings, equipment and vehicles in the Proprietary Fund type is computed using the straight-line method. Depreciation expense applicable to those fixed assets acquired through capital contributions is closed out to the related contributed capital accounts rather than retained earnings. It is considered preferable under the matching concept, as receipts of these fixed assets have been recorded as additions to contributed capital.

13. Compensated Absences

In both the governmental and proprietary fund types, annual and sick leave are expended when claimed by the employee rather than when earned. In the opinion of management, the liability due at June 30, 1997 would not be material to the financial statements.

14. Long-term Obligations

For long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

15. Fund Equity

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. Contributed capital is recorded in the Proprietary Fund for amounts received on capital grants or contributions from developers, customers or other funds.

16. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transaction that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimburses. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
 June 30, 1997

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

17. Total Columns on Combined Statements

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 positions, results of operations or changes in cash flows 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.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET

In accordance with the Louisiana Local Government Budget Act (LSA-RS 39:1301), the procedures used by the Town in establishing the budgetary data reflected in the financial statements are as follows:

- a. Not less than 30 days before the end of the fiscal year, the Mayor recommends to the Board of Aldermen a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is summarized and advertised and the public notified that the proposed budget is available for inspection and that within 10 days thereafter public hearings are conducted to obtain taxpayer comments.
- c. The budget is then legally enacted by passage of an ordinance by the Board of Aldermen.
- d. Any revisions that alter the total expenditures of a department must be approved by the Board of Aldermen. Changes to specific line-items within the departments must also be approved by the Board.

Budgeted amounts presented in the financial statements are as originally adopted or as finally amended by the Board of Aldermen by Ordinance No. 667.

EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds had expenditures on a budgetary basis in excess of appropriations for the fiscal year ended June 30, 1997:

	Expenditures	Budget	Excess
General Fund			
General and Administrative	\$ 860,385	\$ 851,994	\$ (8,391)
Mayor's Department	69,407	69,050	(357)
Special Revenue Funds			
Ambulance District No. 2	40,110	0	(40,110)
Recreation Fund	1,800	0	(1,800)
Community Center and Playground Dist. No. 16	155,360	149,630	(5,730)

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Expenditures exceeded appropriations in the Special Revenue Funds for the following reasons:

The General and Administrative Department incurred expenditures on a hurricane levee restoration project which is being funded by a state grant. The Mayor's Department was over budget due to the purchase of office furniture. Ambulance District No. 2 incurred some receipts and disbursements before the operations of the District were turned over to GIVES; this activity was not budgeted for. The Recreation Fund incurred some unanticipated expenditures for the Biddy Basketball League. The Community Center incurred additional insurance costs. All of the excesses noted above were absorbed by available fund balances/retained earnings.

NOTE C - DEPOSITS AND INVESTMENTS

At June 30, 1997, the carrying amount of the Town's deposits was \$535,535 and the bank balance was \$663,502. Of this amount, \$1,200 was held in a certificate of deposit. The bank balance is categorized as follows:

Category	Bank Balance
Amount insured by FDIC, or collateralized with securities held by the Town's agent in the Town's name	\$ 663,502
Amount collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name	0
Uncollateralized (includes balance that is collateralized with securities held by the pledging financial institution but not in the Town's name)	0
Total Bank Balance	<u>\$ 663,502</u>

Under GASB Statement No. 3, the Town's investments at year end are to be categorized to give an indication of the level of risk assumed by the Town at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Town's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Town's name.

The Town's investments consist of shares in the Louisiana Asset Management Pool (LAMP). The balance as of June 30, 1997 for all funds is \$424,437. Because this investment is not evidenced by securities that exist in physical or book entry form, it is not categorized.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE D - RECEIVABLES

Receivables at June 30, 1997 consist of the following:

	General	Special Revenue	Enterprise	Total
Receivables:				
Accounts				
Utilities	\$ 0	\$ 0	\$ 116,747	\$ 116,747
Grass liens	0	21,319	0	21,319
Property taxes	0	0	0	127,461
Franchise taxes	14,688	0	0	14,688
Intergovernmental				
Sales taxes	54,551	3,927	0	58,478
Beer taxes	1,230	0	0	1,230
Tobacco taxes	1,892	0	0	1,892
DOTD - highway maintenance	0	0	6,351	6,351
Hazard Mitigation grant	0	4,926	0	4,926
Department of Wildlife and Fisheries -	22,313	0	0	22,313
Playground Town No. 16	0	92,075	0	92,075
Parish Transportation Funds	2,570	0	0	2,570
Gaming fees and commissions	4,154	9,106	0	13,260
Other	4,970	0	2,065	7,035
Subtotal	106,368	131,353	125,163	490,345
Less allowance for uncollectibles	0	0	(1,000)	(1,000)
Net receivables	<u>\$ 106,368</u>	<u>\$ 131,353</u>	<u>\$ 124,163</u>	<u>\$ 489,345</u>

The Town generally considers all receivables to be collectible, however, in the Enterprise Fund, an allowance for uncollectibles of approximately 1 percent (\$1,000) of the utility bills receivable has been recorded.

Included within the accounts receivable of the Waterworks and Gas Utilities Enterprise Fund is \$35,454 of unbilled receivables. This amount represents approximately one-half of the July 31, 1997 water and gas bills which are for the actual usage of water and gas in the last half of June 1997.

Also included above is \$92,075 due for Playground District No. 16. This amount represents the balance of parish dedicated ad valorem taxes collected by the Parish on the Town's behalf under a local cooperative agreement.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1997

NOTE E - FIXED ASSETS

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

Asset Category	Balance at Beginning of year	Additions	Deletions	Balance at End of Year
Land	\$ 286,228	\$ 0	\$ 0	\$ 286,228
Buildings and improvements	1,600,519	3,731	(5,000)	1,599,250
Furniture and equipment	366,634	7,612	(9,950)	364,296
Heavy equipment	621,469	120,727	(6,999)	735,197
Vehicles	171,717	14,869	(4,056)	182,530
Total	<u>\$ 3,046,567</u>	<u>\$ 146,939</u>	<u>\$ (26,005)</u>	<u>\$ 3,167,501</u>

Below is a summary of fixed assets by source:

Fixed Asset/Source	Amount
Land	\$ 286,228
Buildings and improvements	1,599,250
Furniture and equipment	364,296
Heavy equipment	735,197
Vehicles	182,530
Total	<u>\$ 3,167,501</u>
Investment from:	
General Fund	\$ 955,669
Drainage District No. 1	308,888
Recreation Fund	193,561
Community Center and Playground District No. 16	723,500
Mosquito Control Fund	8,911
Ambulance District No. 2	0
Capital Projects Fund	6,500
Other - Federal Revenue Sharing	131,713
Other - Parish Grants	708,107
Other - Unknown	130,652
TOTAL	<u>\$ 3,167,501</u>

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE E - FIXED ASSETS (CONTINUED)

The following is a summary of proprietary fund property, plant and equipment at June 30, 1997:

Asset Type	Amount
Land	\$ 17,051
Buildings and improvements	285,145
Furniture and fixtures	68,324
Vehicles and heavy equipment	162,366
Utility distribution systems and lines	
Water transmission system	357,802
Water distribution system	576,936
Water tank	1,005,000
Water meters	118,793
Gas distribution system	436,068
Deltide 6" gas line	12,660
Gas meters	57,417
Lee Street extension	79,721
	<u>3,177,283</u>
Less: accumulated depreciation	(1,642,757)
Net Property, Plant, and Equipment	<u>\$ 1,534,526</u>

Useful lives used for computing depreciation are as follows:

Description	Life in Years
Buildings and improvements	20-50
Furniture and fixtures	5-10
Vehicles and heavy equipment	5-10
Utility distribution systems and lines	10-50

NOTE F - TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others at June 30, 1997 include \$3,192 of taxes paid under protest, plus interest earned to date on the investment of these funds. These funds are held in the Property Tax Protest Agency Fund pending resolution of the protest.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE G - LONG-TERM DEBT

1. Capital Leases

The Town has entered into lease agreements as lessee for financing the acquisition of a tractor loader - backhoe and a garbage truck. These lease agreements qualify as capital leases for accounting purposes (bargain purchase options) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of June 30, 1997:

	<u>General Fixed Assets</u>
Front Loader - backhoe	\$ 27,201
Garbage Truck	63,291

Total	\$ 90,492

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 1997.

<u>Fiscal Year Ending June 30,</u>	<u>General Long-term Debt</u>
1998	\$ 14,758
1999	13,529

Total minimum lease payments	28,287
Less: amount representing interest	(1,683)

Present value of future minimum lease payments	\$ 26,604

2. Installment Purchases

The Town purchased two police cars in 1995 through the Jefferson Parish Sheriff's Office. The Town is reimbursing the Sheriff's Office for the cars on an installment basis. The following is a schedule of the future minimum payments on these installment purchases.

<u>Fiscal Year Ending June 30,</u>	<u>General Long-term Debt</u>
1998	\$ 12,869
1999	0

Total minimum lease payments	\$ 12,869

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1997

NOTE G - LONG-TERM DEBT (CONTINUED)

3. Changes in Long-Term Liabilities

The following is a summary of the changes in general long-term obligations for the fiscal year ended June 30, 1997:

Type of Debt	Balance, July 1, 1996	Additions (Reductions)	Balance, June 30, 1997
Capital leases	\$ 43,604	\$ (17,000)	\$ 26,604
Installment purchases	25,738	(12,869)	12,869
Totals	<u>\$ 69,342</u>	<u>\$ (29,869)</u>	<u>\$ 39,473</u>

NOTE H - RESERVATION AND DESIGNATIONS OF FUND BALANCES/RETAINED EARNINGS

The following reserves and designations of fund balance/retained earnings have been provided for in the financial statements.

1. Retained Earnings - Reserved for Depreciation and Contingencies

A "depreciation and contingencies fund" and a "surplus revenue fund" were established under the 1962 Waterworks and Gas Utilities Revenue Bond indenture. Amounts equaling at least 5 % of gross revenues of the system are to be transferred to this fund for extensions, additions, improvements, renewals and replacements. In accordance with Town Resolution No. 968, the transfers continue to be made even though the bonds have been defeased.

2. Fund Balance - Reserved for Prepaid Items

This reserve was established as an offset against the asset, prepaid items, because it does not constitute an available, spendable resource of the fund even though it is a component of current assets.

3. Fund Balance - Reserved for Restricted Expenditures

This amount represent the balances remaining on funds received from the State dedicated to beach clean up projects (\$4,648) and donations received for erosion control projects (\$5,000).

4. Fund Balance - Reserved for Drainage Pumps

This reserve represents the balance of a construction contract to purchase and install pumps and related machinery in connection with the Grand Isle Drainage Project II - Hazard Mitigation Grant Program.

5. Fund Balance - Designated for Subsequent Year's Expenditures

This designation represents the budgeted deficiency of revenues over expenditures in the 97-98 budget.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1997

NOTE I - CONTRIBUTED CAPITAL

Enterprise fund contributed capital decreased by the following amounts:

	Municipal Government	Federal Government	Total
Balance at June 30, 1996	\$ 328,000	\$ 628,125	\$ 956,125
Less: amortization of cost of water storage tank (Contributed Asset)	0	(25,125)	(25,125)
Balance at June 30, 1997	<u>\$ 328,000</u>	<u>\$ 603,000</u>	<u>\$ 931,000</u>

NOTE J - TAXES

1. Sales Tax

The total sales tax levied on purchases within the Town limits during the fiscal year ended June 30, 1997 was 8 3/4 percent. Of this 8 3/4 percent, 4 percent is levied by the State, 1 1/2 percent is levied by the Jefferson Parish Public School System (a separate entity), 3 percent is levied by the Parish of Jefferson (a separate entity), and 1/4 percent is levied by the Jefferson Parish Sheriff's Office.

Of the 3 percent levied by the Parish, 1/2 percent is remitted to the Jefferson Parish Public School System and 2 1/2 percent is remitted to the Town (as in incorporated municipality). Of the 2 1/2 percent received by the Town, 1/6 percent is recognized in the Drainage District No. 1 Special Revenue Fund. The balance goes to the Town's General Fund.

The 1/4 percent levied by the Sheriff's Office is remitted directly to the Town for law enforcement purposes and is recognized in the General Fund.

2. Ad Valorem Tax

The Town levies an ad valorem tax on real property within the city limits. Ad valorem taxes are recognized in the fiscal year in which the taxes are levied. The levy is generally made as of November 15 of each year. The tax is due, and becomes an enforceable lien on the property, on the first day of the month following the filing of the tax roll by the Parish Assessor with the Louisiana Tax Commission (usually December 1). The tax is considered delinquent on March 1 in the year after the levy. The taxes are billed and collected by the Town.

Ad valorem taxes are levied based on property values determined by the Jefferson Parish Assessor's Office (a separate entity). All land and residential improvements are assessed at 10 percent of its fair market value, and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation of the Town. A homestead exemption is in effect which essentially makes the first \$2,500 of assessed value exempt from taxes.

The number of mills levied on the 1996 tax rolls was 7.00 for the General Fund and 5.00 for the Waterworks and Gas Utilities fund.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE K- INTERFUND TRANSACTIONS

RECEIVABLES/PAYABLES

Individual balances due from/to other funds at June 30, 1997 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 37,136	\$ 56,138
Special Revenue Funds		
Drainage District No. 1	13,763	0
Erosion Control Fund	0	9,650
Mosquito Control Fund	639	5,324
Community Center and Playground District No. 16	0	899
Riverboat Gambling Admission Fees	42,375	0
	<u>56,777</u>	<u>15,873</u>
Enterprise Funds		
Unrestricted	10,022	21,902
Restricted	0	10,022
	<u>10,022</u>	<u>31,924</u>
Totals	<u>\$ 103,935</u>	<u>\$ 103,935</u>

OPERATING TRANSFERS

A summary of operating transfers by fund type for the fiscal year ended June 30, 1997 is as follows:

Fund Type	Transfers To or From	Operating Transfers In	Operating Transfers Out
General Fund	Various Funds	\$ 17,225	\$ 9,747
Special Revenue Fund Ambulance District No. 2	General Fund	4,281	0
Special Revenue Fund Community Center	General Fund	2,036	0
Special Revenue Fund Riverboat Gaming and Admission Fees	General Fund	0	15,737
Enterprise Fund Waterworks and Gas Utilities	General Fund	3,430	1,488
		<u>\$ 26,972</u>	<u>\$ 26,972</u>

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE L - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions, and natural disasters for which the Town. To protect itself from these losses, the Town participates in the Louisiana Municipal Risk Management Agency (LMRMA), a public entity risk pool operating as a common risk management and insurance program for municipalities within the state. The Town pays annual premiums to LMRMA for coverage on general liability, auto, law enforcement officer's liability, and public official's errors and omissions liability. Coverage limits per occurrence is \$500,000, with an aggregate limit of \$500,000 on general liability claims.

The Town also carries commercial insurance for other risks of loss, including workers' compensation, employee health and accident insurance, fire damage, etc. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

NOTE M - COMMITMENTS AND CONTINGENCIES

1. Commitment - Deltide 6-inch Gas Line

On August 11, 1962, the Town entered into a lease agreement with Deltide Fishing and Rental Tools, Inc. whereby Deltide leased its interest in a 6" gas line to the Town for a period of 30 years. Under the lease agreement, the Town agreed to pay Deltide \$200 per year as compensation for administrative and other expenses incurred in connection with the lease agreement. In addition, the Town agreed to reimburse Deltide for any and all amounts which Deltide may have to pay for operation, maintenance and repair of the gas line.

As of June 30, 1996, a liability of \$49,205 was recorded in the Waterworks and Gas Utilities Enterprise Fund for the amounts due under this lease agreement through that date. As of June 30, 1997, the Town made one payment of 24,192, leaving a balance due of \$25,013. While the lease term officially expired on August 11, 1992, the Town has continued using the gas line pending the formulation of a new lease agreement and would therefore still be responsible for payments under the lease.

2. Federal Financial Assistance

The Town participates in certain federal financial assistance programs. While the programs fall beneath the scope of a Single Audit in accordance with OMB Circular A-133, the grantor agencies may provide for further examinations. The Town believes that further examinations would not result in any material disallowed costs.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)

The food stamp program was operated by the Town under an agreement with the Louisiana Department of Health and Human Resources. Under this program, the Town was responsible for the issuance of food coupons to eligible participants in the Town. The value of the food coupons on hand, received and issued is not recorded in the accompanying statements. Activity for the period July 1, 1996 to January 31, 1997 was as follows:

Balance at July 1, 1996	\$	15,154
Received during year		60,730
Issued during year		(62,667)
Balance at January 31, 1997	<u>\$</u>	<u>13,217</u>

In August of 1997, this program was discontinued at the local level. All of the records associated with the program were turned over to the State, thus, the activity from February 1, 1997 to June 30, 1997 is not available.

3. **Civil Penalties - Use-Tire Processing Project**

On October 14, 1993, the Louisiana Department of Environmental Quality (DEQ) issued a penalty notice (SE-P-93-0269) against the Town in connection with deficiencies noted in the Town's used-tire processing project. Under the Louisiana Environmental Quality Act (LRS 30:2025(e)), the Town has been assessed a civil penalty of \$31,625. The Town requested an administrative appeal, which was accepted by the State. DEQ held several hearings on the matter to develop a course of action and to negotiate a reduction in the amount of penalties levied. A verbal agreement was reached to waive the penalty, accordingly, no provision for any liability has been made in the accompanying financial statements.

4. **Civil Penalties - Landfill**

On November 4, 1993 and again on August 14, 1995, the DEQ issued penalty notices (SE-P-93-0271 and SE-P-95-0219) against the Town in connection with violations of the Solid Waste Rules and Regulations and the Louisiana Environmental Quality Act in relation to the Town's dump site (i.e., landfill). Penalties of \$51,454 and \$75,000 have been levied. Administrative appeals were filed by the Town and accepted by the State. A verbal agreement has been reached whereby the State will waive the penalties if the Town provides for a proper closure (i.e., capping) of the dump site.

GASB Codification Section L10 requires a government who owns or operates a municipal landfill to recognize the closure and postclosure care costs over the expected life of the landfill rather than after closure takes place. Since the Town's dump site was effectively closed as of June 30, 1997, a liability for closure costs should have been accrued. Preliminary engineering estimates place the cost of capping the site at approximately \$250,000, however, the Town has entered into a cooperative endeavor agreement with the Parish of Jefferson whereby excess sand recovered from the Town's ditches and culverts would be used to cover the landfill. DEQ has approved the plan with certain conditions and restrictions. During 96/97, the Town incurred costs of \$5,518 in connection with capping the dump site and constructing a fence around the property. Because the ultimate cost to the Town should be minimal, the financial statements do not include a provision for these closure or postclosure costs.

COMBINING STATEMENTS AND INDIVIDUAL
FUND AND ACCOUNT GROUP SCHEDULES

TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
BALANCE SHEET
JUNE 30, 1997**

ASSETS

Cash and cash equivalents	\$	176,733
Receivables, net		
Property taxes		0
Franchise taxes		14,688
Intergovernmental		
Sales tax		54,551
Beer tax		1,230
Tobacco tax		1,892
Gaming fees and commissions		4,154
Grants		22,313
Parish road fund		2,570
Other		4,970
Due from other funds		37,136
Prepaid items		31,789
TOTAL ASSETS	\$	<u>352,026</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accrued salaries and related liabilities	\$	11,920
Due to other funds		56,138
Appearance bond deposits		50,461

TOTAL LIABILITIES		<u>118,519</u>
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FUND BALANCE

Reserved for prepaid items		31,788
Reserved for restricted expenditures		9,648
Unreserved		
Designated for subsequent year's expenditure		0
Undesignated		192,071

TOTAL FUND BALANCE		<u>233,507</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>352,026</u>
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TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$ 442,216	\$ 504,900	\$ (62,684)
Licenses and permits	79,322	77,500	1,822
Intergovernmental	497,671	470,000	27,671
Gaming fees and commissions	25,138	21,000	4,138
Fines and forfeitures	97,780	130,000	(32,220)
Charges for services	263,766	256,050	7,716
Miscellaneous	78,432	71,400	7,032
TOTAL REVENUES	<u>1,484,325</u>	<u>1,530,850</u>	<u>(46,525)</u>
EXPENDITURES			
Current			
General government	952,244	949,794	(2,450)
Public Safety	369,661	393,275	23,614
Public works	413,908	416,700	2,792
Culture, recreation and tourism	25,614	25,750	136
TOTAL EXPENDITURES	<u>1,761,427</u>	<u>1,785,519</u>	<u>24,092</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(277,102)	(254,669)	(22,433)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	17,225	59,748	(42,523)
Operating transfers out	(9,747)	0	(9,747)
TOTAL OTHER FINANCING SOURCES (USES)	<u>7,478</u>	<u>59,748</u>	<u>(52,270)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(269,624)	(194,921)	(74,703)
FUND BALANCES			
Beginning of year	503,131	503,131	0
Residual equity transfers	0	0	0
End of year	<u>\$ 233,507</u>	<u>\$ 308,210</u>	<u>\$ (74,703)</u>

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF REVENUES - ACTUAL AND BUDGET
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
TAXES			
Ad valorem	\$ 119,397	\$ 112,500	\$ 6,897
Sales			
General	233,815	306,000	(72,185)
Law enforcement	25,003	30,000	(4,997)
Hotel/motel	8,039	5,400	2,639
Franchise tax			
Entergy	45,183	42,000	3,183
Callais Cable	10,779	9,000	1,779
Total	<u>442,216</u>	<u>504,900</u>	<u>(62,684)</u>
LICENSES AND PERMITS			
Business			
Occupational	61,553	59,000	2,553
Liquor and beer	8,075	6,000	2,075
Non-business			
Building	8,418	12,000	(3,582)
Zoning and adjustments	1,276	500	776
Total	<u>79,322</u>	<u>77,500</u>	<u>1,822</u>
INTERGOVERNMENTAL			
Federal			
FEMA	0	0	0
Wildlife & Fisheries - Fishing Pier	0	0	0
Food Stamp Administrative Reimbursement	806	0	806
State			
Tobacco tax	7,569	7,000	569
Beer tax	5,477	8,000	(2,523)
Parish road fund	51,887	50,000	1,887
LCLF/CJCC grants	5,370	0	5,370
DARE	5,220	0	5,220
LA DOTD grants - Hurricane Protection (# 502-26-0075)	416,342	400,000	16,342
Local			
Parish drainage grants	0	0	0
Parish tourism grants	5,000	5,000	0
Total	<u>497,671</u>	<u>470,000</u>	<u>27,671</u>
GAMING FEES AND COMMISSIONS			
Video poker allocation	<u>25,138</u>	<u>21,000</u>	<u>4,138</u>
FINES AND FORFEITURES			
Fines and court costs	96,809	130,000	(33,191)
Bond fees	971	0	971
Total	<u>97,780</u>	<u>130,000</u>	<u>(32,220)</u>
CHARGES FOR SERVICES			
Sanitation	261,877	255,000	6,877
Tax research and notices	1,889	1,050	839
Total	<u>263,766</u>	<u>256,050</u>	<u>7,716</u>
MISCELLANEOUS			
Interest income	10,014	1,500	8,514
Interdepartmental administration fee	50,400	50,400	0
10% tax collection charge	8,134	7,000	1,134
Donation - Tenneco	0	0	0
Donations - Tourism	1,459	5,300	(3,541)
Donations - DARE fundraiser	4,113	2,500	1,613
Other	4,312	5,000	(688)
Total	<u>78,432</u>	<u>71,400</u>	<u>7,032</u>
TOTAL REVENUES	<u>\$ 1,484,325</u>	<u>\$ 1,530,350</u>	<u>\$ (46,525)</u>

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT -
 ACTUAL AND BUDGET - GENERAL GOVERNMENT FUNCTION
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL AND ADMINISTRATIVE			
Office salaries	\$ 66,587	\$ 69,000	\$ 2,413
Payroll taxes	46,329	47,000	671
Unemployment tax	611	1,000	389
Insurance - hospitalization	60,654	62,000	1,346
Insurance - workmen's compensation	61,801	62,000	199
Retirement - police	0	0	0
Aldermen - per diems	25,186	25,186	0
Aldermen expenses	5,372	6,800	1,428
Audit	5,767	5,800	33
Legal and professional fees	41,554	40,200	(1,354)
Office supplies	3,775	3,800	25
Coffee supplies	1,207	1,200	(7)
Janitorial supplies	471	600	129
Advertising	5,554	5,500	(54)
Signs and insignias	718	400	(318)
LMA - dues	242	242	0
LMA - expenses	3,228	3,300	72
Dues and subscriptions	145	400	255
Insurance - general and automotive	42,611	44,000	1,389
Utilities	10,523	10,800	277
Postage	3,206	3,200	(6)
Bank charges	31	128	97
Telephone	11,693	12,000	307
Repairs - office equipment	3,872	4,500	628
Repairs - buildings	4,155	4,500	345
Repairs - vehicles	2,088	2,500	412
Gas and oil	1,574	2,000	426
Public assistance	2,577	600	(1,977)
Physicals	3,218	3,300	82
School training	0	200	200
Travel and other	(213)	250	463
Computer consulting	175	300	125
Safety equipment	544	600	56
Elections expense	3,049	3,100	51
Inauguration expense	4,088	4,088	0
Miscellaneous	6,114	6,000	(114)
National Youth Team Rentals	8,000	7,500	(500)
DARE rentals	0	0	0
Intergovernmental - bantam league	0	0	0
Intergovernmental - GIVFD	0	0	0
Intergovernmental - GIVES	0	0	0
Intergovernmental - Port Commission	0	0	0
Capital outlay			
Office furniture and equipment	1,304	2,200	896
Vehicles	524	2,200	1,676
Christmas decorations	1,262	1,300	38
Fishing pier repairs	20,875	21,000	125
Hurricane Levee Restoration (DOTD # 502-26-0075)	396,183	377,500	(18,683)
Buildings and structures	3,731	3,800	69
TOTAL DEPARTMENT	\$ 860,385	\$ 851,994	\$ (8,391)

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND

SCHEDULE OF EXPENDITURES BY DEPARTMENT -

ACTUAL AND BUDGET - GENERAL GOVERNMENT FUNCTION (CONTINUED)

FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
MAYOR'S DEPARTMENT			
Salaries	\$ 62,391	\$ 63,000	\$ 609
Local and special expenses	373	500	127
Telephone	0	0	0
Office supplies	941	950	9
Repairs - vehicles	2,149	2,150	1
Gas and oil	781	900	119
Travel and other	1,400	1,450	50
Miscellaneous	83	100	17
Capital outlay			
Office furniture and equipment	1,289	0	(1,289)
TOTAL DEPARTMENT	<u>\$ 69,407</u>	<u>\$ 69,050</u>	<u>\$ (357)</u>
PLANNING COMMISSION AND TAX DEPARTMENT			
Salaries	\$ 20,694	\$ 21,500	\$ 806
Office supplies	107	200	93
Printing - tax bills	2,821	2,800	(21)
Postage	1,723	1,750	27
Advertising	(951)	150	1,101
Recordation	1,107	2,200	1,093
Travel and other	44	50	6
Miscellaneous	(3,093)	100	3,193
TOTAL DEPARTMENT	<u>\$ 22,452</u>	<u>\$ 28,750</u>	<u>\$ 6,298</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 92,244</u>	<u>\$ 97,800</u>	<u>\$ (5,556)</u>

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT -
 ACTUAL AND BUDGET - PUBLIC SAFETY FUNCTION
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
POLICE DEPARTMENT			
Salaries	\$ 208,602	\$ 212,000	\$ 3,398
Payroll taxes	0	0	0
Unemployment tax	0	0	0
Insurance - hospitalization	41,090	41,000	(90)
Insurance - workmen's compensation	30,917	30,000	(917)
Retirement - police	6,321	7,600	1,279
Dues and subscriptions	100	300	200
Food and lodging - deputies	1,275	1,500	225
Food - prisoners	661	700	39
Travel and other	1,606	1,500	(106)
Office supplies	2,726	3,800	1,074
Coffee supplies	793	800	7
Janitorial supplies	514	600	86
Telephone	8,552	8,500	(52)
Uniforms	664	1,000	336
Ammunition	309	300	(9)
Repairs - building	742	1,000	258
Repairs - equipment	2,591	2,500	(91)
Repairs - vehicles	15,003	16,000	997
Chemicals	59	200	141
Postage	24	25	1
School training	1,398	3,200	1,802
DARE program expenses	795	1,450	655
DARE fundraiser expenses	578	1,600	1,022
Insurance - general and automotive	1,357	14,950	13,593
Utilities	3,221	3,300	79
Gas and oil	14,536	15,100	564
Small tools and equipment	180	200	20
Miscellaneous	2,593	650	(1,943)
Capital outlay			
Office furniture and equipment	899	800	(99)
Vehicles and equipment	16,424	19,100	2,676
Guns and equipment	3,128	1,500	(1,628)
TOTAL DEPARTMENT	\$ 367,658	\$ 391,175	\$ 23,517
CIVIL DEFENSE			
Emergency fund	\$ 1,975	\$ 2,000	\$ 25
Travel and other	28	100	72
Gas and oil	0	0	0
TOTAL DEPARTMENT	\$ 2,003	\$ 2,100	\$ 97
TOTAL PUBLIC SAFETY	\$ 369,661	\$ 393,275	\$ 23,614

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT -
 ACTUAL AND BUDGET - PUBLIC WORKS FUNCTION
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
STREETS DEPARTMENT			
Salaries	\$ 108,259	\$ 110,000	\$ 1,741
Street overlaying	0	0	0
Street repairs	1,020	1,100	80
Street signs	934	1,250	316
Small tools and equipment	330	400	70
Repairs - vehicles	6,661	6,700	39
Travel and other	0	0	0
Gas and oil	5,895	6,000	105
Limestone	10,373	10,500	127
Miscellaneous	217	300	83
Capital outlay			0
Vehicles and equipment	0	1,500	1,500
Street construction	10,946	11,000	54
Debt Service			0
Principal	2,163	0	(2,163)
Interest	69	0	(69)
TOTAL DEPARTMENT	<u>\$ 146,867</u>	<u>\$ 148,750</u>	<u>\$ 1,883</u>
SANITATION DEPARTMENT			
Salaries	\$ 97,109	\$ 98,000	\$ 891
Chemicals	2,079	2,100	21
Repairs - dumpsite	2,164	2,300	136
Landfill closure	5,518	5,600	82
Gas and oil	6,624	6,700	76
Repairs - vehicles	17,212	17,300	88
Small tools and equipment	1,228	1,250	22
Travel and other	0	0	0
Utilities	2,315	2,500	185
Contracted services - hauling	106,878	107,000	122
Miscellaneous	477	500	23
Capital outlay			
Vehicles and equipment	8,448	24,700	16,252
Debt Service			
Principal	14,838	0	(14,838)
Interest	2,151	0	(2,151)
TOTAL DEPARTMENT	<u>\$ 267,041</u>	<u>\$ 267,950</u>	<u>\$ 909</u>
TOTAL PUBLIC WORKS FUNCTION	<u>\$ 413,908</u>	<u>\$ 416,700</u>	<u>\$ 2,792</u>

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND

**SCHEDULE OF EXPENDITURES BY DEPARTMENT -
ACTUAL AND BUDGET - CULTURE, RECREATION AND TOURISM
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TOURISM DEPARTMENT			
Salaries	\$ 7,075	\$ 7,500	\$ 425
Advertising	13,534	12,700	(834)
Dues and subscriptions	739	1,000	261
Office supplies	34	50	16
Telephone	1,016	1,000	(16)
Postage	329	400	71
Travel and other	2,823	3,000	177
Miscellaneous	64	100	36
TOTAL DEPARTMENT	<u>\$ 25,614</u>	<u>\$ 25,750</u>	<u>\$ 136</u>
ENGRAVING PROJECT			
Contracted services - engraving	\$ 0	\$ 0	\$ 0
TOTAL DEPARTMENT	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL CULTURE, RECREATION AND TOURISM	<u>\$ 25,614</u>	<u>\$ 25,750</u>	<u>\$ 136</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenues that are legally restricted to expenditures for specific purposes.

AMBULANCE DISTRICT NO. 2

Used to account for the proceeds from a \$2 fee per month assessed residents and, effective January 1, 1996, an ad valorem tax levied by the Parish, to provide emergency services to the community.

SEIZURE AND FORFEITURE

Used to account for the proceeds of funds seized during drug enforcement activities. These proceeds are to be used exclusively for drug enforcement.

DRAINAGE DISTRICT NO. 1

Used to account for the proceeds of one-third of the 1981 ½ cent sales tax to be used for operations, maintenance, and improvements of the Town's drainage system.

EROSION CONTROL FUND

Used to account for intergovernmental revenues and donations received to be used for erosion control projects within the Town limits.

BRIDGE REPAIR

Used to account for the proceeds of a grant from Louisiana Disaster Relief. These proceeds are to be used to repair the Highway 1 fishing bridge due to damage caused by Hurricane Andrew in August 1992.

MOSQUITO CONTROL FUND

Used to account for the proceeds of a mosquito fee assessed on all residential and commercial property to be used to control the mosquito population within the community.

RECREATION FUND

Used to account for the proceeds of an expired State racing tax to be used for recreational activities and facilities.

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16

Used to account for the proceeds of an ad valorem tax levied by the Parish of Jefferson and remitted to the Town for the construction, operations, and debt service costs of the Grand Isle Community Center and Playground District.

BRIDGE LIGHTING FUND

Used to account for a grant from Jefferson Parish to be used to repair and maintain the lights on the fishing bridge.

RIVERBOAT GAMBLING AND ADMISSIONS FEES

Used to account for the Town's 5 percent share of boarding fees received by Jefferson Parish from the Boomtown Belle Casino.

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1997

	AMBULANCE DISTRICT NO. 2	SEIZURE AND FORFEITURE	DRAINAGE DISTRICT NO. 1	EROSION CONTROL FUND
ASSETS				
Cash and cash equivalents	\$ 0	\$ 318	\$ 4,071	\$ 40,896
Receivables				
Accounts receivable	0	0	0	0
Intergovernmental				
Sales tax	0	0	3,927	0
Hazard Mitigation grant	0	0	4,926	0
Playground District No. 16 taxes	0	0	0	0
Gaming fees and commissions	0	0	0	0
Due from other funds	0	0	13,763	0
Prepaid items	0	0	0	0
TOTAL ASSETS	\$ 0	\$ 318	\$ 26,687	\$ 40,896
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued payroll and deductions	0	0	0	0
Due to other funds	0	0	0	9,650
Total Liabilities	0	0	0	9,650
Fund Equity				
Fund Balances				
Reserved for prepaid items	0	0	0	0
Reserved for drainage pumps	0	0	32,000	0
Unreserved				
Designated	0	0	0	0
Undesignated	0	318	(5,313)	31,246
Total Fund Equity	0	318	26,687	31,246
TOTAL LIABILITIES AND FUND EQUITY	\$ 0	\$ 318	\$ 26,687	\$ 40,896

BRIDGE REPAIR	MOSQUITO CONTROL FUND	RECREATION FUND	COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16	BRIDGE LIGHTING FUND	RIVERBOAT GAMBLING ADMISSION FEES	TOTAL
\$ 504	\$ 23,414	\$ 24,746	\$ 94,661	\$ 108	\$ 75,402	\$ 264,120
0	21,319	0	0	0	0	21,319
0	0	0	0	0	0	3,927
0	0	0	0	0	0	4,926
0	0	0	92,075	0	0	92,075
0	0	0	0	0	9,106	9,106
0	639	0	0	0	42,375	56,777
0	536	0	16,198	0	0	16,734
<u>\$ 504</u>	<u>\$ 45,908</u>	<u>\$ 24,746</u>	<u>\$ 202,934</u>	<u>\$ 108</u>	<u>\$ 126,883</u>	<u>\$ 468,984</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	200	0	0	200
0	5,324	0	899	0	0	15,873
<u>0</u>	<u>5,324</u>	<u>0</u>	<u>1,099</u>	<u>0</u>	<u>0</u>	<u>16,073</u>
0	536	0	16,198	0	0	16,734
0	0	0	0	0	0	32,000
0	0	0	0	0	0	0
504	40,048	24,746	185,637	108	126,883	404,177
<u>504</u>	<u>40,584</u>	<u>24,746</u>	<u>201,835</u>	<u>108</u>	<u>126,883</u>	<u>452,911</u>
<u>\$ 504</u>	<u>\$ 45,908</u>	<u>\$ 24,746</u>	<u>\$ 202,934</u>	<u>\$ 108</u>	<u>\$ 126,883</u>	<u>\$ 468,984</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	AMBULANCE DISTRICT NO. 2	SEIZURE AND FORFEITURE	DRAINAGE DISTRICT NO. 1	EROSION CONTROL FUND
REVENUES				
Taxes	\$ 0	\$ 0	\$ 18,906	\$ 0
Intergovernmental	21,290	0	29,574	0
Gamings fees and commissions	0	0	0	0
Fines and forfeitures	0	0	0	0
Charges for services	0	0	0	0
Miscellaneous	19	0	110	1,106
TOTAL REVENUES	<u>21,309</u>	<u>0</u>	<u>48,590</u>	<u>1,106</u>
EXPENDITURES				
Current				
Public safety	40,110	0	0	0
Public works	0	0	106,921	0
Health and welfare	0	0	0	0
Culture and recreation	0	0	0	0
TOTAL EXPENDITURES	<u>40,110</u>	<u>0</u>	<u>106,921</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(18,801)</u>	<u>0</u>	<u>(58,331)</u>	<u>1,106</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	4,281	0	0	0
Operating transfers out	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,281</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>(14,520)</u>	<u>0</u>	<u>(58,331)</u>	<u>1,106</u>
FUND BALANCE				
Beginning of year	14,520	318	85,018	30,140
End of year	<u>\$ 0</u>	<u>\$ 318</u>	<u>\$ 26,687</u>	<u>\$ 31,246</u>

BRIDGE REPAIR	MOSQUITO CONTROL FUND	RECREATION FUND	COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16	BRIDGE LIGHTING FUND	RIVERBOAT GAMBLING ADMISSION FEES	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,906
0	0	0	151,374	0	0	202,238
0	0	0	0	0	205,938	205,938
0	0	0	0	0	0	0
0	46,467	0	3,048	0	0	49,515
14	131	1,149	8,725	3	7,848	19,105
<u>14</u>	<u>46,598</u>	<u>1,149</u>	<u>163,147</u>	<u>3</u>	<u>213,786</u>	<u>495,702</u>
0	0	0	0	0	0	40,110
0	0	0	0	0	358,750	465,671
0	62,322	0	0	0	0	62,322
0	0	1,800	155,360	0	0	157,160
<u>0</u>	<u>62,322</u>	<u>1,800</u>	<u>155,360</u>	<u>0</u>	<u>358,750</u>	<u>725,263</u>
14	(15,724)	(651)	7,787	3	(144,964)	(229,561)
0	0	0	2,036	0	0	6,317
0	0	0	0	0	(15,737)	(15,737)
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,036</u>	<u>0</u>	<u>(15,737)</u>	<u>(9,420)</u>
14	(15,724)	(651)	9,823	3	(160,701)	(238,981)
490	56,308	25,397	192,012	105	287,584	691,892
<u>\$ 504</u>	<u>\$ 40,584</u>	<u>\$ 24,746</u>	<u>\$ 201,835</u>	<u>\$ 108</u>	<u>\$ 126,883</u>	<u>\$ 452,911</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	TOTALS BY FUNCTION		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 18,906	\$ 25,000	\$ (6,094)
Intergovernmental	202,238	235,000	(32,762)
Gamings fees and commissions	205,938	180,000	25,938
Fines and forfeitures	0	0	0
Charges for services	49,515	53,500	(3,985)
Miscellaneous	19,105	8,100	11,005
TOTAL REVENUES	495,702	501,600	(5,898)
EXPENDITURES			
Current			
Public safety	40,110	0	(40,110)
Public works	465,671	536,913	71,242
Health and welfare	62,322	64,400	2,078
Culture and recreation	157,160	149,630	(7,530)
TOTAL EXPENDITURES	725,263	750,943	25,680
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(229,561)	(249,343)	19,782
OTHER FINANCING SOURCES (USES)			
Operating transfers in	6,317	0	6,317
Operating transfers out	(15,737)	(59,748)	44,011
TOTAL OTHER FINANCING SOURCES (USES)	(9,420)	(59,748)	50,328
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(238,981)	(309,091)	70,110
FUND BALANCE			
Beginning of year	691,892	691,892	0
End of year	\$ 452,911	\$ 382,801	\$ 70,110

(Continued)

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	AMBULANCE DISTRICT NO. 2		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Intergovernmental			
Parish dedicated ad valorem taxes	\$ 21,290	\$ 0	\$ 21,290
Charges for services			
Emergency unit fees	0	0	0
Miscellaneous			
Interest income	19	0	19
Other	0	0	0
TOTAL REVENUES	<u>21,309</u>	<u>0</u>	<u>21,309</u>
EXPENDITURES			
Public safety			
Salaries	0	0	0
Payroll taxes	0	0	0
Audit	0	0	0
Utilities	0	0	0
Telephone	0	0	0
Insurance			
General	38	0	(38)
Hospitalization	0	0	0
Lease payments	40,072	0	(40,072)
Medical supplies	0	0	0
School training	0	0	0
Travel and other	0	0	0
Repairs and maintenance - vehicles	0	0	0
Bank charges	0	0	0
Gas and oil - vehicles	0	0	0
Miscellaneous	0	0	0
Capital outlays			
Vehicle and equipment	0	0	0
TOTAL EXPENDITURES	<u>40,110</u>	<u>0</u>	<u>(40,110)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,801)	0	(18,801)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	4,281	0	4,281
Operating transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,281</u>	<u>0</u>	<u>4,281</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(14,520)	0	(14,520)
FUND BALANCE			
Beginning of year	14,520	14,520	0
End of year	<u>\$ 0</u>	<u>\$ 14,520</u>	<u>\$ (14,520)</u>

(Continued)

TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	SEIZURE AND FORFEITURE		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES	\$ 0	\$ 0	\$ 0
EXPENDITURES			
Public safety			
Supplies	0	0	0
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0	0	0
FUND BALANCE			
Beginning of year	318	318	0
End of year	<u>\$ 318</u>	<u>\$ 318</u>	<u>\$ 0</u>

(Continued)

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	DRAINAGE DISTRICT NO. 1		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes			
Sales taxes	\$ 18,906	\$ 25,000	\$ (6,094)
Intergovernmental			
Federal			
Hazard Mitigation Grant	29,574	103,000	(73,426)
Miscellaneous			
Interest income	110	0	110
TOTAL REVENUES	48,590	128,000	(79,410)
EXPENDITURES			
Public Works			
Utilities	5,661	5,700	39
Small tools	0	0	0
Professional fees	11,660	13,173	1,513
Repairs and maintenance - Pump Station No. 1	2,993	3,000	7
Repairs and maintenance - Cypress pump	0	0	0
Culverts and gates	1,211	1,300	89
Lease payments	1,200	1,200	0
Canal cleaning	0	0	0
Miscellaneous	144	200	56
Capital outlays			
Equipment	2,605	2,700	95
Pump stations	81,447	103,000	21,553
TOTAL EXPENDITURES	106,921	130,273	23,352
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(58,331)	(2,273)	(56,058)
FUND BALANCE			
Beginning of year	85,018	85,018	0
End of year	<u>\$ 26,687</u>	<u>\$ 82,745</u>	<u>\$ (56,058)</u>

(Continued)

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	EROSION CONTROL FUND		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Miscellaneous			
Interest income	\$ 1,106	\$ 0	\$ 1,106
TOTAL REVENUES	<u>1,106</u>	<u>0</u>	<u>1,106</u>
EXPENDITURES			
Public Works			
Engraving	0	0	0
Miscellaneous	0	0	0
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,106	0	1,106
FUND BALANCE			
Beginning of year	30,140	30,140	0
End of year	\$ <u>31,246</u>	\$ <u>30,140</u>	\$ <u>1,106</u>

(Continued)

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	BRIDGE REPAIR		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Miscellaneous			
Interest income	\$ 14	\$ 0	\$ 14
TOTAL REVENUES	<u>14</u>	<u>0</u>	<u>14</u>
EXPENDITURES			
Public Works			
Bridge repairs	0	0	0
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14	0	14
FUND BALANCE			
Beginning of year	490	490	0
End of year	\$ <u>504</u>	\$ <u>490</u>	\$ <u>14</u>

(Continued)

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	MOSQUITO CONTROL FUND		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Charges for services			
Mosquito fees	\$ 44,386	\$ 45,000	\$ (614)
Grass cutting fees	2,081	5,000	(2,919)
Miscellaneous			
Interest income	131	1,500	(1,369)
TOTAL REVENUES	<u>46,598</u>	<u>51,500</u>	<u>(4,902)</u>
EXPENDITURES			
Health and Welfare			
Repairs and maintenance - vehicles and equipment	571	600	29
Audit	1,470	1,500	30
Gas and oil	0	500	500
Chemicals	29,445	29,500	55
Aerial spraying	24,628	24,700	72
Grass cutting	150	1,200	1,050
Insurance - general	645	1,000	355
Schools and training	0	0	0
Miscellaneous	13	0	(13)
Interdepartmental administrative fee	5,400	5,400	0
Capital outlays			
Vehicles and equipment	0	0	0
TOTAL EXPENDITURES	<u>62,322</u>	<u>64,400</u>	<u>2,078</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,724)	(12,900)	(2,824)
FUND BALANCE			
Beginning of year	56,308	56,308	0
End of year	<u>\$ 40,584</u>	<u>\$ 43,408</u>	<u>\$ (2,824)</u>

(Continued)

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	RECREATION FUND		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Miscellaneous			
Interest income	\$ 1,149	\$ 0	\$ 1,149
TOTAL REVENUES	<u>1,149</u>	<u>0</u>	<u>1,149</u>
EXPENDITURES			
Culture and Recreation			
Port-o-lets	600	0	(600)
Bidly Basketball Program	1,200	0	(1,200)
TOTAL EXPENDITURES	<u>1,800</u>	<u>0</u>	<u>(1,800)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(651)	0	(651)
FUND BALANCE			
Beginning of year	25,397	25,397	0
End of year	\$ <u>24,746</u>	\$ <u>25,397</u>	\$ <u>(651)</u>

(Continued)

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Intergovernmental			
Parish dedicated ad valorem taxes	\$ 151,374	\$ 132,000	\$ 19,374
Charges for services			
Rental income	3,048	3,500	(452)
Miscellaneous			
Interest income	3,727	4,800	(1,073)
Beach sweep donations	650	1,600	(950)
Other	4,348	200	4,148
TOTAL REVENUES	163,147	142,100	21,047
EXPENDITURES			
Culture and Recreation			
Salaries	23,512	25,000	1,488
Payroll taxes	1,835	2,000	165
Unemployment taxes	245	500	255
Insurance			
Hospitalization	5,265	5,500	235
Workman's compensation	2,720	2,800	80
General	33,869	28,000	(5,869)
Audit	4,545	4,500	(45)
Advertising	0	0	0
Travel and other	32	200	168
Janitorial supplies	2,904	3,000	96
Office supplies	1,264	1,400	136
Repairs and maintenance -			
Building	7,435	7,500	65
Office equipment	643	650	7
Vehicles and equipment	2,113	2,200	87
Tennis courts	0	200	200
Old bridge	0	0	0
Parks and playgrounds	2,842	3,000	158
Gas and oil	1,139	1,000	(139)
Recreational assistance	13,858	1,100	(12,758)
Beach sweep expenses	1,479	1,500	21
Coffee supplies	47	100	53
Small tools and equipment	34	50	16

(Continued)

TOWN OF GRAND ISLE, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

	COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16		
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Postage	28	30	2
Telephone	570	600	30
Utilities	24,372	25,000	628
Interdepartmental administrative fee	15,000	15,000	0
Miscellaneous	493	800	307
Capital outlays			
Office furniture and equipment	0	0	0
Vehicles	0	0	0
Playground equipment	9,116	18,000	8,884
TOTAL EXPENDITURES	<u>155,360</u>	<u>149,630</u>	<u>(5,730)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,787	(7,530)	15,317
OTHER FINANCING SOURCES (USES)			
Operating transfers in	2,036	0	2,036
Operating transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,036</u>	<u>0</u>	<u>2,036</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	9,823	(7,530)	17,353
FUND BALANCE			
Beginning of year	192,012	192,012	0
End of year	<u>\$ 201,835</u>	<u>\$ 184,482</u>	<u>\$ 17,353</u>

(Continued)

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>BRIDGE LIGHTING FUND</u>		
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Miscellaneous			
Interest income	\$ 3	\$ 0	\$ 3
TOTAL REVENUES	<u>3</u>	<u>0</u>	<u>3</u>
EXPENDITURES			
Culture and Recreation			
Light repairs	0	0	0
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3	0	3
FUND BALANCE			
Beginning of year	105	105	0
End of year	<u>\$ 108</u>	<u>\$ 105</u>	<u>\$ 3</u>

(Continued)

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>RIVERBOAT GAMBLING ADMISSION FEES</u>		
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Gaming fees and commissions			
Riverboat admission fees	\$ 205,938	\$ 180,000	\$ 25,938
Miscellaneous			
Interest income	7,848	0	7,848
TOTAL REVENUES	<u>213,786</u>	<u>180,000</u>	<u>33,786</u>
EXPENDITURES			
Public Works			
Street overlaying	327,403	327,403	0
Elevator	0	47,618	47,618
Intergovernmental - GIVFD	31,000	31,300	300
Bank charges	347	319	(28)
TOTAL EXPENDITURES	<u>358,750</u>	<u>406,640</u>	<u>47,890</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(144,964)	(226,640)	81,676
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	(15,737)	(59,748)	44,011
TOTAL OTHER FINANCING SOURCES (USES)	<u>(15,737)</u>	<u>(59,748)</u>	<u>44,011</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(160,701)	(286,388)	125,687
FUND BALANCE			
Beginning of year	287,584	287,584	0
End of year	<u>\$ 126,883</u>	<u>\$ 1,196</u>	<u>\$ 125,687</u>

ENTERPRISE FUNDS

Enterprise funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises (i.e., where the intent of the governing body is that the costs of providing goods or services to the general public be financed or recovered primarily through user charges).

WATERWORKS AND GAS UTILITIES FUND

Used to account for the provision of water and natural gas 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 operations, maintenance, administration, financing and related debt service, and billing and collection.

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS AND GAS UTILITY FUND
BALANCE SHEET
JUNE 30, 1997

ASSETS

Current Assets	
Cash and cash equivalents	\$ 413,858
Receivables	
Accounts receivable	115,747
Property taxes	0
Due from other governments	6,351
Other	2,065
Due from other funds	10,022
Inventory	40,408
Prepaid insurance	21,077
Total Current Assets	<u>609,528</u>
Restricted Assets	
Cash and cash equivalents	94,998
Total Restricted Assets	<u>94,998</u>
Property, plant and equipment (net of accumulated depreciation and amortization of \$1,642,757)	1,534,526
TOTAL ASSETS	\$ <u>2,239,052</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Current Liabilities	
Accounts payable	\$ 25,013
Accrued salaries	1,204
Due to other funds	21,902
Total Current Liabilities	<u>48,119</u>
Current Liabilities Payable From Restricted Assets	
Customer deposits	84,976
Due to other funds	10,022
Total Current Liabilities Payable From Restricted Assets	<u>94,998</u>
TOTAL LIABILITIES	<u>143,117</u>

FUND EQUITY

Contributed capital	
Contributions from municipality	328,000
Contributions from federal grant	603,000
Total Contributed Capital	<u>931,000</u>
Retained Earnings	
Reserved for depreciation and contingencies	221,055
Unreserved	943,880
Total Retained Earnings	<u>1,164,935</u>
TOTAL FUND EQUITY	<u>2,095,935</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>2,239,052</u>

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS AND GAS UTILITY FUND
 SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS - ACTUAL AND BUDGET
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES			
Water sales	\$ 624,528	\$ 648,300	\$ (23,772)
Gas sales	170,818	187,000	(16,182)
Service charges	3,385	3,100	285
Installation charges	4,618	3,500	1,118
Delinquent penalties	21,827	16,800	5,027
Miscellaneous	1,889	1,500	389
Total Operating Revenues	<u>827,065</u>	<u>860,200</u>	<u>(33,135)</u>
OPERATING EXPENSES			
Personal services	111,395	119,500	8,105
Contracted services	587,468	596,700	9,232
Materials and supplies	20,604	31,200	10,596
General and administrative	204,345	223,379	19,034
Depreciation and amortization	50,754	56,000	5,246
Depreciation on contributed assets	25,125	25,125	0
Total Operating Expenses	<u>999,691</u>	<u>1,051,904</u>	<u>52,213</u>
OPERATING INCOME (LOSS)	<u>(172,626)</u>	<u>(191,704)</u>	<u>19,078</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	20,555	15,500	5,055
Ad valorem taxes	85,363	80,000	5,363
Intergovernmental			
Federal - Community Development Grant	0	25,000	(25,000)
State - DOTD highway maintenance	12,701	12,700	1
Total Non-Operating Revenues (Expenses)	<u>118,619</u>	<u>133,200</u>	<u>(14,581)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(54,007)</u>	<u>(58,504)</u>	<u>4,497</u>
OPERATING TRANSFERS IN	3,430	0	3,430
OPERATING TRANSFERS OUT	(1,488)	0	(1,488)
NET INCOME (LOSS)	<u>(52,065)</u>	<u>(58,504)</u>	<u>6,439</u>
Add Back: Depreciation on contributed assets	25,125	25,125	0
RETAINED EARNINGS			
Beginning of Year	1,191,875	1,191,875	0
End of Year	<u>\$ 1,164,935</u>	<u>\$ 1,158,496</u>	<u>\$ 6,439</u>

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS AND GAS UTILITY FUND
 SCHEDULE OF OPERATING EXPENSES - ACTUAL AND BUDGET
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
PERSONAL SERVICES			
Salaries	\$ 73,404	\$ 80,000	\$ 6,596
Payroll taxes	5,339	6,000	661
Insurance - workmen's compensation	10,464	13,000	2,536
Insurance - hospitalization and other	22,188	20,500	(1,688)
Total Personal Services	<u>111,395</u>	<u>119,500</u>	<u>8,105</u>
CONTRACTED SERVICES			
Water purchases	384,479	385,000	521
Gas purchases	91,371	100,000	8,629
Barging expenses	111,618	111,700	82
Total Contracted Services	<u>587,468</u>	<u>596,700</u>	<u>9,232</u>
MATERIALS AND SUPPLIES			
Installation materials and labor	6,011	6,000	(11)
Gas and oil	6,877	6,900	23
Chemicals	5,390	5,500	110
Small tools and supplies	2,326	12,800	10,474
Total Material and Supplies	<u>20,604</u>	<u>31,200</u>	<u>10,596</u>
GENERAL AND ADMINISTRATIVE			
Audit	5,768	5,800	32
Bad debt expense	0	0	0
Bank charges	111	50	(61)
Inspection fee	0	529	529
Insurance - general and auto	31,342	23,000	(8,342)
Interdepartmental administrative fee	30,000	30,000	0
Leak survey	550	1,000	450
Legal and professional	30,090	28,000	(2,090)
Miscellaneous	1,319	2,000	681
Office and janitorial supplies	4,663	5,100	437
Physicals and drug testing	1,088	1,100	12
Postage	4,444	3,800	(644)
Repairs and maintenance			
Buildings	2,930	3,000	70
Equipment and machines	2,532	2,300	(232)
Gas distribution	4,286	28,100	23,814
Office equipment	4,322	4,700	378
Telemeter	2,371	3,000	629
Vehicles	2,904	3,000	96
Water tank	210	500	290
Water distribution system	20,256	20,300	44
Water transmission	7,412	7,500	88
Water and gas meters	1,750	1,800	50
Sales taxes	0	0	0
Tax collection commission	7,715	7,500	(215)
Telephone	5,558	6,000	442
Training school	150	200	50
Travel and other	0	100	100
Utilities	32,574	35,000	2,426
Total General and Administrative	<u>204,345</u>	<u>223,379</u>	<u>19,034</u>
DEPRECIATION			
Depreciation and amortization	50,754	56,000	5,246
Depreciation on contributed assets	25,125	25,125	0
Total Depreciation	<u>75,879</u>	<u>81,125</u>	<u>5,246</u>
TOTAL OPERATING EXPENSES	<u>\$ 999,691</u>	<u>\$ 1,051,904</u>	<u>\$ 52,213</u>

AGENCY FUNDS

Agency funds are used to account for assets held by the Town as an agent for individuals, private organizations, other governments and/or other funds.

PROPERTY TAX PROTEST

Used to account for ad valorem taxes collected under protest. The funds are held in this account pending resolution of the protest.

GRAND ISLE RELIEF FUND

Used to account for contributions held on behalf of the victims of the April 1993 tornado. The funds will be disbursed to families in need pending approval of relief applications.

TOWN OF GRAND ISLE, LOUISIANA

AGENCY FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1997

	<u>PROPERTY TAX PROTEST</u>	<u>GRAND ISLE RELIEF</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 3,192	\$ 7,071	\$ 10,263
TOTAL ASSETS	<u>\$ 3,192</u>	<u>\$ 7,071</u>	<u>\$ 10,263</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to taxing bodies and others	\$ 3,192	\$ 0	\$ 3,192
Relief funds payable	0	7,071	7,071
Total Liabilities	<u>3,192</u>	<u>7,071</u>	<u>10,263</u>
FUND BALANCE	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,192</u>	<u>\$ 7,071</u>	<u>\$ 10,263</u>

TOWN OF GRAND ISLE, LOUISIANA

AGENCY FUNDS
 COMBINING SCHEDULE OF CHANGES IN DEPOSIT BALANCES
 DUE TO OTHERS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997

	<u>PROPERTY TAX PROTEST</u>		<u>GRAND ISLE RELIEF</u>		<u>TOTAL</u>
DEPOSIT BALANCES DUE TO OTHERS AT JUNE 30, 1996	\$ 3,113	\$	7,212	\$	10,325
COLLECTIONS					
Deposits:					
Interest income	79		159		238
Total Collections	<u>79</u>		<u>159</u>		<u>238</u>
DISTRIBUTIONS					
Deposits settled to:					
Disaster victims and vendors	0		0		0
Capital outlay - radio room furniture	0		300		300
Total Distributions	<u>0</u>		<u>300</u>		<u>300</u>
DEPOSIT BALANCES DUE TO OTHERS AT JUNE 30, 1997	\$ <u>3,192</u>	\$	<u>7,071</u>	\$	<u>10,263</u>

SUPPLEMENTARY INFORMATION

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF PAYMENTS TO ALDERMEN
For the Fiscal Year Ended June 30, 1997**

<u>ALDERMEN</u>	<u>AMOUNT</u>
Ray Santiny	\$ 5,037
Euris Dubois	5,037
Roger Camardelle	5,037
David Camardelle	5,037
Robert Collins, Jr.	5,037
TOTAL	<u>\$ 25,185</u>

TOWN OF GRAND ISLE
SCHEDULE OF CASH AND CASH EQUIVALENTS
June 30, 1997

FUND/ACCOUNT	BANK	6/30/97 BANK BALANCE	6/30/97 BOOK BALANCE
GENERAL FUND			
CASH AND CHECKING			
Petty cash		\$ 0	\$ 100
Operating	South LaFourche Bank	100,340	80,840
Accounts payable	South LaFourche Bank	12,184	3,269
Payroll	South LaFourche Bank	10,177	820
Appearance Bonds	Community Bank	47,517	50,666
		<u>170,218</u>	<u>135,695</u>
LOUISIANA ASSET MANAGEMENT POOL			
General Fund Accounts		<u>41,038</u>	<u>41,038</u>
TOTAL GENERAL FUND		\$ <u>211,256</u>	\$ <u>176,733</u>
SPECIAL REVENUE			
CASH AND CHECKING			
Drainage District No. 1	South LaFourche Bank	\$ 4,071	\$ 4,071
Recreation Fund	State Bank	2,865	2,865
Community Center	South LaFourche Bank	48,892	40,480
Riverboat Gambling	South LaFourche Bank	51,333	51,333
Mosquito Control	South LaFourche Bank	27,673	20,816
Ambulance District No. 2	South LaFourche Bank	0	0
Bridge Lighting	South LaFourche Bank	108	108
Seizure and Forfeiture	South LaFourche Bank	317	317
Bridge Repair	South LaFourche Bank	504	504
Erosion Control	South LaFourche Bank	40,896	40,896
		<u>176,659</u>	<u>161,390</u>
LOUISIANA ASSET MANAGEMENT POOL			
Mosquito Control		2,598	2,598
Recreation		21,882	21,882
Community Center		54,181	54,181
Riverboat Gambling Admission Fees		24,069	24,069
		<u>102,730</u>	<u>102,730</u>
TOTAL SPECIAL REVENUE FUNDS		\$ <u>279,389</u>	\$ <u>264,120</u>

(continued)

TOWN OF GRAND ISLE
SCHEDULE OF CASH AND CASH EQUIVALENTS (CONTINUED)
June 30, 1997

FUND/ACCOUNT	BANK	6/30/97 BANK BALANCE	6/30/97 BOOK BALANCE
PROPRIETARY FUND			
Waterworks and Gas Utilities - Unrestricted			
CASH AND CHECKING			
Water and Gas	South LaFourche Bank	159,604	76,761
Operating (O&M)	Hibernia	51,418	51,848
Petty Cash Drawer		0	100
Surplus Revenue	Whitney	7,446	7,446
Depreciation and Contingencies	Whitney	66,531	70,233
		<u>284,999</u>	<u>206,388</u>
CERTIFICATES OF DEPOSIT			
Surplus Revenue Fund	Whitney	1,200	1,200
LOUISIANA ASSET MANAGEMENT POOL			
Water and Gas		29,004	29,004
Water and Gas - restricted		35,091	35,091
Depreciation and Contingencies		142,175	142,175
		<u>206,270</u>	<u>206,270</u>
Total Unrestricted		<u>492,469</u>	<u>413,858</u>
Waterworks and Gas Utilities - Restricted			
CASH AND CHECKING			
Meter Deposit	BankOne	20,163	20,599
LOUISIANA ASSET MANAGEMENT POOL			
Meter Deposit		74,399	74,399
Total Restricted		<u>94,562</u>	<u>94,998</u>
TOTAL PROPRIETARY FUND		<u>\$ 587,031</u>	<u>\$ 508,856</u>
TRUST & AGENCY			
CASH AND CHECKING			
Property Tax Protest	Argent Bank	\$ 3,192	\$ 3,192
Grand Isle Relief Fund	South LaFourche Bank	7,071	7,071
TOTAL TRUST & AGENCY		<u>\$ 10,263</u>	<u>\$ 10,263</u>
GRAND TOTAL		<u>\$ 1,087,939</u>	<u>\$ 959,972</u>

TOWN OF GRAND ISLE

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/PROJECT NUMBER	GRANT PERIOD		GRANT AMOUNT
			FROM	TO	
FEDERAL EMERGENCY MANAGEMENT AGENCY					
Passed through State Department of Military Affairs - Office of Emergency Preparedness:					
Hazard Mitigation Grant - Grand Isle Drainage Project, Ph II	Unknown	FEMA-045-DR-LA (045-051-0005)	Project Completion		\$ 153,000 (1)
TOTAL FEDERAL EMERGENCY MANAGEMENT					
DEPARTMENT OF THE INTERIOR					
Passed through State Department of Wildlife and Fisheries:					
Grand Isle Fishing Pier - Phase I	15.605	16-01-00-86-6	Project Completion		246,260 (2)
TOTAL DEPARTMENT OF THE INTERIOR					
DEPARTMENT OF AGRICULTURE					
Passed through State Department of Family Support:					
Food Stamp Administrative Costs	10.561		01-Jul-96	30-Jun-97	1,500 (3)
TOTAL DEPARTMENT OF AGRICULTURE					
TOTAL					
NONMONETARY ASSISTANCE					
DEPARTMENT OF AGRICULTURE					
Food Stamps	10.551		01-Jul-96	30-Jun-97	
TOTAL FEDERAL ASSISTANCE					

- (1) Amount represents federal share only. Town is required to provide a 50 percent match.
- (2) Amount represents federal share only. Town is required to provide a 25 percent match.
- (3) Amount represents federal share only. Town is required to provide a 50 percent match.
- (4) Amounts represent the value of Food Stamps issued to and distributed by the Town to eligible recipients through January 31, 1997.

NOTES TO SCHEDULE

This schedule was prepared on the accrual basis of accounting and covers the period from July 1, 1996 to June 30, 1997.

ACCRUED (DEFERRED) REVENUE JUNE 30, 1995	CASH RECEIVED		ACCRUED (DEFERRED) REVENUE JUNE 30, 1996	TOTAL REVENUE RECOGNIZED	EXPENDITURES		TOTAL EXPENDITURES
	GRANT	OTHER			FEDERAL	OTHER	
\$ 40,368	65,016	29,574	4,926	59,148	29,574	29,574	59,148
<u>40,368</u>	<u>65,016</u>	<u>29,574</u>	<u>4,926</u>	<u>59,148</u>	<u>29,574</u>	<u>29,574</u>	<u>59,148</u>
134,003	111,689	0	22,314	0	0	0	0
<u>134,003</u>	<u>111,689</u>	<u>0</u>	<u>22,314</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	806	806	0	1,612	806	806	1,612
<u>0</u>	<u>806</u>	<u>806</u>	<u>0</u>	<u>1,612</u>	<u>806</u>	<u>806</u>	<u>1,612</u>
\$ <u>174,371</u>	177,511	\$ 30,380	\$ 27,240	\$ 60,760	30,380	\$ 30,380	\$ 60,760

60,730 (4)
\$ 238,241

62,667 (4)
\$ 93,047

COMPLIANCE SECTION

**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***

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, as of and for the fiscal year ended June 30, 1997, and have issued my report thereon dated December 21, 1997. In my report, my opinion was qualified due to a scope limitation on the Town's appearance bond liability accounts and on the fines and forfeitures revenues. Except as noted in my report, I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion.

The results of my tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards and is described in the accompanying schedule of findings and questioned costs as Item No. 97-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my 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.

Reportable conditions are described in the accompanying schedule of findings and questioned costs as items no. 97-2 to 97-15.

A material weakness is a reportable 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. My consideration of the internal controls 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 as defined above. However, I believe that items 97-2, 97-3, 97-4, 97-5, 97-6, 97-7, 97-9, 97-10, 97-11, 97-12, and 97-14 on the following schedule are material weaknesses as defined above.

I also noted other matters involving the internal control over financial reporting that I have reported to the management of the Town in a separate letter entitled "Memorandum of Advisory Comments", dated December 21, 1997.

This report is intended for the information of the Town's, management, all applicable Federal and State awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Paul C. Rivera, CPA

December 21, 1997

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Fiscal Year Ended June 30, 1997

Summary of Auditor's Results

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, as of and for the fiscal year ended June 30, 1997, and have issued my report thereon dated December 21, 1997. In my report, my opinion was qualified due to a scope limitation on the Town's appearance bond liability accounts and on the fines and forfeitures revenues. Except as noted in my report, I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. The Town's expenditures of federal awards fell below the scope which would require a Single Audit in accordance with OMB Circular A-133. Accordingly, no audit procedures were performed under the requirements of the Single Audit Act.

Findings Relating to the Financial Statements

The results of my tests disclosed the following instance of noncompliance described in item 97-1 and the reportable conditions described in items 97-2 to 97-15. My consideration of the internal controls 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 as defined by the American Institute of Certified Public Accountants. However, I believe that items 97-2, 97-3, 97-4, 97-5, 97-6, 97-7, 97-9, 97-10, 97-11, 97-12, and 97-14 listed below are material weaknesses.

COMPLIANCE WITH LAWS AND REGULATIONS

97-1. FINDING

During my testwork on payroll, I noted that the federal tax withholdings on payroll and the related FICA/medicare taxes were not deposited with the IRS for the latter part of January and for all of the month of February. The current administration did make the required deposits and file the required 941 reports in March of 1997.

RESPONSE

This occurred during the transition from one administration to the next. This will not happen again. All deposits are currently up to date and all forms have been filed.

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 1997**

REPORTABLE CONDITIONS

97-2. CONDITION

The Town was unable to provide sufficient evidential matter to support the balances in the appearance bond deposit account and the amounts that should have been recognized as revenue in the fines and forfeitures account.

In the past, the Police Department had the responsibility of issuing and collecting traffic fines. A "master log" was maintained by the Police Department showing the tickets issued and their ultimate disposition. When the new administration took over in July 1996, the receipt function was taken away from the Police Department. Instead, the Mayor's Office was to collect the fines and would provide the Police Department with a recap of collections. The Mayor even hired a computer consultant to develop an accounting and reporting program.

Apparently, the computer program never worked properly and the anticipated reports were not generated. This resulted in the Police Department not being notified of the disposition of tickets and the master log not being updated. Because of the lack of any kind of report, the accounting department was also unable to determine the amount of appearance bonds on hand which should have been refunded or taken into income.

RECOMMENDATION

If the receipt function is to be separated from the Police Department, a report of some kind should be provided to the Police Department and the Accounting Department noting the disposition of the ticket. This would allow the master log to be updated and the revenues to be recorded as earned.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. The current administration is reviewing the tickets issued and brought to court to try and determine the status of each item. We hope to have a reconciled listing in the next few weeks which will allow us to recognize the revenues earned. It is anticipated that the receipt function will continue to be done by the Mayor's office, however, reports will be provided to the Police Department.

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 1997**

97-3. **CONDITION**

During my testwork on cash, it was noted that the Town's cash accounts had not been reconciled for three months. Further testing revealed that the majority of the bank reconciliations performed for October 1996 were done incorrectly and did not agree to the Town's general ledgers. The problem seems to have been caused by the Town Treasurer lacking the required accounting skills to perform the duties of the position, despite having been trained for several months by the former Town Treasurer. Because the condition went on for so long, it appears that an overall lack of supervision over the Treasurer's Office compounded the condition. Proofs of cash had to be performed on each account to determine the true balance at January 31, 1997. The result was a significant number of journal entries being posted to bring the accounts into balance.

RECOMMENDATION

All of the Town's cash accounts should be reconciled on a monthly basis. Any adjustments noted should be recorded immediately. The Mayor or the Town Clerk should review and approve the bank reconciliations upon completion. Proof of this review could come in the form of an initial or signature approving the reconciliation.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. This is currently being done. A cash balance sheet will be provided to the Aldermen for review each month. Currently, all accounts are reconciled as of June 30, 1997.

97-4. **CONDITION**

For the funds which do not have a computerized general ledger, the Town maintains a cash receipts and disbursements journal in order to account for the transactions and cash balances of the funds. During my testwork, several instances were noted whereby this journal (called the "OBA" book), was not being kept up to date during the year. The result was that the balances noted on the bank reconciliations did not agree to the balances in the OBA book.

Further testing revealed that the majority of the OBA journals that were up to date contained posting errors or omissions. Thus, the balances may have been up to date, but they were incorrect.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Fiscal Year Ended June 30, 1997

RECOMMENDATION

The OBA journals should be posted on a timely basis (i.e., daily) and should be reconciled to the bank statements at least monthly. For those funds with computerized ledgers, the OBA balances should agree to the ledger and the bank statement/reconciliation.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. This is being done by the current Treasurer.

97-5. CONDITION

The Town maintains almost all of its idle cash with the Louisiana Asset Management Pool (LAMP). During my testwork on investments, it was noted that none of the balances recorded on the general ledger at January 31, 1997 agreed to the balances on the monthly LAMP statements.

Some of the differences noted related to the Town Treasurer not recording interest earned. In other cases, deposits or withdrawals from the accounts were either not recorded or were recorded in the wrong fund. A significant number of journal entries were needed to bring the accounts into balance.

RECOMMENDATION

All transactions in the LAMP accounts should be recorded and the LAMP accounts should be reconciled on a monthly basis.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. This will be done by the current Treasurer.

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 1997**

97-6. **CONDITION**

The tax roll is currently provided to the Town by the Parish Assessor's Office in paper form. During my testwork on revenues, I noted that the tax roll was not "footed" by the Town to check the clerical accuracy as had been done in past years. The tax roll summary pages have historically been incorrect. Upon footing the tax roll, it was noted that the totals were once again incorrect. Thus, the amount of taxes due which was posted to the daily recap sheets was incorrect.

It was also noted that the taxes receivable per the roll were not recorded on the Town's books. Thus, receivables and revenues at January 31, 1997 were significantly understated. Several adjustments were needed to reflect the proper balances.

RECOMMENDATION

The tax roll book should be footed upon receipt to verify its clerical accuracy. The amount of taxes due should also be recorded on the Town's ledger upon the bills being mailed. Collections should then be posted to the receivable account upon deposit.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. This will be done in the future.

97-7. **CONDITION**

Bills for occupational licenses are typically mailed in December to the businesses operating within the Town and are due on January 1. During my testwork of revenues, I noted that the bills were not mailed out until March, 1997. No explanation could be provided by the current administration as to why the bills were not mailed.

RECOMMENDATION

Occupational licenses should be mailed/billed on time. It should be noted that the bills were mailed out in March 1997, thus, the Town did collect its revenues prior to its fiscal year ending and all businesses are properly licensed.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. This will be done in the future.

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 1997**

97-8. **CONDITION**

The Town currently collects garbage from the State Park under an annual contract. During my testing of revenues, I noted that the bills to the State Park were not being recorded as accounts receivable upon issuance. The result was that upon receipt of payment, the deposit posted against receivable was relieving a receivable which had never been set up. Thus, receivables and revenues under this contract were misstated at June 30, 1997. A number of journal entries were needed to reflect the proper balances.

RECOMMENDATION

The invoices mailed to the State Park should be recorded when issued. The receivable and revenue accounts should also be reviewed periodically to determine their accuracy.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. This will be done in the future.

97-9. **CONDITION**

During the normal course of operation, the Town's various funds incur expenses on behalf of each other or transfer money to and from depending on the cash needs of the fund. These transactions are recorded through various "Due to/Due from" accounts. During my testing of these balances, I noted that several of the interfund receivables and payables were in balance at June 30, 1997. The outages appear to have been caused by several mispostings as well as the prior Town Treasurer's inability to understand the concept of accounting for interfund transactions. A significant number of adjustments were needed to bring the accounts into balance.

RECOMMENDATION

The various Due to/Due from accounts should be reconciled on a monthly basis.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. This will be done in the future.

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 1997**

97-10. CONDITION

During my testwork of the Water and Gas fund, I noted that the accounts receivable amount per the "Utility Billing Summary Trial Balance" report did not agree to the amount recorded on the fund's general ledger. While there were several mispostings noted, the main reason for the difference was the \$25,000 in bad debt which was written off at June 30, 1996. It was first thought that the accounts were not written off in the computer system, however, when the clerk pulled up the accounts on the computer, they were "blank". Thus, it appears that an attempt was made to write the accounts off, but it does not appear that this was done properly.

RECOMMENDATION

The Town should contact its computer consultant to review the accounts written off. It should be determined why the balances show up "blank", yet the amounts are included in the summary trial balance total. Once in balance, the ledger and the summary trial balance should be compared on a monthly basis.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. We will contact our computer consultant to have him review the accounts in question.

97-11. CONDITION

During my review of the Town's records, it was noted that the beginning balances on the ledger for the month of November did not agree to the ending balances from the month of October. Apparently, the October books were not properly closed out before transactions for the month of November were input. Thus, in December, both October and November were closed at the same time. The computer system responded by wiping out the October transactions and double-posting the November transactions. The same error appears to have occurred in March 1997.

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 1997**

RECOMMENDATION

The proper close-out procedures should be followed. If an error is noted, the Town's computer consultant should be notified immediately to determine the proper course of action.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. The current Treasurer is very familiar with the required close-out procedures. We do not anticipate this happening again.

97-12. CONDITION

During the month of November 1996, the Town acted as the "local sponsor" for a circus which came to Town. Under the terms of the contract, the Town would advertise for the circus and would sell advance tickets in exchange for a percentage of sales. When the circus arrived, the Town was to return any unsold tickets and was to remit the ticket receipts "in cash" to the circus.

During my audit, it was brought to my attention, that a check made out by a local business to the "Town of Grand Isle Park and Recreation District" had been cashed at a local supermarket by the Town Clerk and the Town Treasurer. Upon further investigation, two other checks were found to have been cashed. The three checks totaled \$150.00.

According to the Town Clerk, the reason the checks were cashed was because of the contract term calling for remittance to the circus "in cash". Apparently, the circus refused any checks. As such, it appears that some checks made out to the Park District were deposited by the Town while others were cashed.

My inquiry into this situation was further hampered by the lack of any accounting of the receipts. A copy of a settlement sheet was found, however, it does not differentiate cash receipts from checks.

RECOMMENDATION

No Town official should have the authority to cash a check made out to the Town of Grand Isle or any of its funds/districts under any circumstance. Also, all disbursements made by the Town should be in the form of a check to ensure accountability. Additionally, any check made out to the Town or one of its funds/districts should be deposited into the Town's accounts. Finally, the Town should be very wary of doing business with any company which requires payments in cash.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

For the Fiscal Year Ended June 30, 1997

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. This will not happen again. All checks made out to the Town will be deposited into the Town accounts

97-13. CONDITION

During my performing proofs of cash on the Town's accounts, it was noted that checks were being issued out of sequence. For example, checks 101 to 110 and 120 to 150 would be issued in one month, while checks 111 to 119 would be issued in the next month. In some cases, the breaks between check numbers would span more than 30 days. The current administration has no explanation for the prior administration not using checks in numerical sequence.

RECOMMENDATION

Checks should be used in numerical sequence.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. This will not happen again.

97-14. CONDITION

During my testwork on cash and my performance of proofs of cash on the Town's accounts, I noted several deposits that hit the bank which were not recorded on the Town's books. While further investigation found the source of the deposit in most instances, there were still a few where a daily recap sheet could not be found to support the deposit. Thus, these items were never explained. The total amount of unexplained items was minimal, however, the fact that this occurred indicates a problem in the accounting process.

RECOMMENDATION

All deposits should be recorded and supported by a daily recap sheet.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. All deposits are now supported by a daily recap sheet and deposited timely.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 1997

97-15. CONDITION

During my testwork on cash and performing proofs of cash on the Town's accounts, I noted that the Town Treasurer was not recording NSF transactions, nor was he redepositing the checks. A significant number of journal entries were needed to record the transactions and the current Town Treasurer is still tracking down redeposits and trying to collect on items still deemed NSF.

RECOMMENDATION

All checks returned from the bank as NSF should be recorded immediately. The redeposit of these checks should also be recorded when done. A listing of outstanding NSF items should be maintained which reconciles to the balance in the general ledger account.

RESPONSE

This condition occurred prior to January 31, 1997, while the Town was governed by another administration. All NSF checks received from the bank will immediately be investigated and redeposited if possible. The activity will be recorded on the books in the future.

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**MEMORANDUM OF ADVISORY COMMENTS
TOWN OF GRAND ISLE, LOUISIANA**

For the Fiscal Year Ended June 30, 1997

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 _____

TABLE OF CONTENTS

	<u>Page</u>
INTERNAL CONTROL STRUCTURE AND RELATED MATTERS	
Auditor's Letter	2
Comments and Suggestions	
Improving Efficiency of Operations	3
Increasing Revenues and Cash Flows	6
Protecting the Assets of the Town	8
Improving Financial Reporting	10
General Comments	12
COMPLIANCE WITH LAWS AND REGULATIONS	
Auditor's Letter	16
Schedule of Noncompliance with Laws and Regulations	17

**INTERNAL CONTROL
AND RELATED MATTERS**

Paul C. Rivera, CPA

2612 Crestway Road
Marrero, Louisiana 70072

(504) 371-4390

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the fiscal year ended June 30, 1997, and have issued my reports thereon dated December 21, 1997. As part of my audit, I considered the Town's internal control over financial reporting in order to determine the nature, timing, and extent of my auditing procedures for the purpose of expressing an opinion on the financial statements, and not to provide assurance on the internal control.

Reportable conditions which may have been noted during my consideration of the internal control over financial reporting have been reported on in a separately issued report, entitled "Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based on an Audit Performed in Accordance with *Government Auditing Standards*".

This memorandum summarizes various other matters which have come to my attention. While not involving reportable conditions, these matters do present opportunities for strengthening the internal control structure and improving the operating efficiency of the Town.

I have already discussed these comments and suggestions with the Town's administrative personnel and have included their responses. I will be pleased to discuss these comments and suggestions with you in further detail at your convenience, perform an additional study of these matters, or assist you in implementing the recommendations.

Paul C. Rivera, CPA

December 21, 1997

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS For the Fiscal Year Ended June 30, 1997

IMPROVING EFFICIENCY OF OPERATIONS

1. COMMENT

As noted in the prior year, the Parish Assessor's Office (a separate entity) currently provides the Town with its "Tax Roll" each year. The Tax Roll consists of a computer printout of the all of the assessed values of the property within the Town as well as the taxes due. The roll is provided in paper-form and is several inches thick. As payments and/or change orders are received, they are manually posted to the tax roll by the tax clerk. This manual process is proving to be burdensome. Another area of concern is that at no time during the year is the amount receivable per the general ledger agreed to the amounts outstanding in the tax roll. The reason is that adding the tax roll up by hand would be too big of a task.

RECOMMENDATION

The Town should contact the Assessor's Office to determine whether the information could be provided on "tape" as well as paper. If available, the Town should consider having its computer consultant set up a data-base whereby the data could be uploaded from the Assessor's files and maintained on a computer on a go-forward basis. Monthly listings of amounts still due should be easily generated.

RESPONSE

This will be looked into before next year's tax roll is issued.

2. COMMENT

As noted in the prior year, it appears that there are several Special Revenue funds which appear to be inactive and which could possibly be closed. One of the primary rules of fund accounting is the "minimum funds rule". This rule basically states that a government should provide for a proper accounting of its activities with the least number of funds possible. The number of funds proves to be a burden to the Accounting Department in that each separate account requires a monthly reconciliation. A lot of time and paperwork could be cut if these funds were consolidated or closed into the General Fund.

TOWN OF GRAND ISLE, LOUISIANA

**COMMENTS AND SUGGESTIONS (CONTINUED)
For the Seven Months Ended January 31, 1997**

IMPROVING EFFICIENCY OF OPERATIONS (CONTINUED)

RECOMMENDATION

It appears that the following Special Revenue funds can be closed due to the length of time since the last activity and, in some cases, because the primary purpose of the fund has already been met:

Fund	Cash Balance at January 31, 1997
Seizure and Forfeiture Fund	\$ 318
Bridge Repair Fund	497
Recreation Fund	24,754
Bridge Lighting Fund	107

In the case of the Recreation Fund, these monies could be transferred to the Community Center and Playground District No. 16 Fund.

RESPONSE

As of this date, these accounts are closed.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

INCREASING REVENUES AND CASH FLOWS

3. COMMENT

During my analytical procedures and as noted in prior years, there appears to be instances where the Town is providing a particular service to the residents but apparently is not recovering its cost. The two main areas of concern are the Sanitation Department and the Waterworks and Gas Utilities Fund. A breakdown of the revenues and expenditures of these departments for the last two years is presented below.

Fund/Department	June 30, 1997	June 30, 1996
Sanitation Department		
Revenues	\$ 261,877	\$ 257,355
Expenditures	267,040	263,519
Surplus (deficit)	(5,163)	(6,164)
Waterworks and Gas Utilities		
Revenues	949,114	972,930
Operating expenses	1,001,179	1,177,763
Net income (loss)	(52,065)	(204,833)

As can be seen from the table, the Waterworks and Gas Utilities Fund appears to be heading for financial trouble. From a deficient rate structure, to paying ever increasing barging costs, to an aging distribution system which has a 20 to 30 percent loss rate, to broken and aging meters which are not providing proper readings, the causes of the recurring losses in this fund are varied. Additional pressure was put on this fund in the 95-96 fiscal year due to an accumulated deficit in natural gas storage. The Town had to pay for gas in 95-96 which erased the negative storage.

RECOMMENDATION

The Town should review the rate structures being charged on these services and determine whether a rate increase is warranted. The efforts of the Town to look for a cheaper source of water (i.e., pipeline to Jefferson Parish) should also be continued. A meeting with the LMA Gas Authority would also seem to be in line to ensure that the Town does not incur additional costs on gas storage.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

INCREASING REVENUES AND CASH FLOWS (CONTINUED)

RESPONSE

The Town continues pursuing a cheaper source of water for the residents. As for the Streets Department, we will review the costs and rate structure to determine if change is warranted.

4. COMMENT

As noted in the prior year, the fishing bridge improvements project is being funded through a grant from the Department of Wildlife and Fisheries. The Town incurs the expense and then requests reimbursement from the State. To date, \$323,123 has been spent on the project. At 75 percent, this means the State owes the Town \$242,342. As of June 30, 1997, only \$220,028 has been requested from the State.

RECOMMENDATION

The Town should instruct its engineer to file a request for reimbursement in order to recover the \$22,314 due.

RESPONSE

The Town's engineer who oversees this project will be directed to contact the State on the balance due.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

PROTECTING THE ASSETS OF THE TOWN

5. COMMENT

As noted above, the original tax levy is provided on the Tax roll in paper form from the Assessor's Office. During the year, the State Tax Commission and the Assessor's Office issue "change orders" on levies made and taxes due. These change orders effectively change the amounts the Town will collect. During my testwork on property taxes, I noted that change orders were not being recorded on the daily recaps and, thus, were not being posted to the general ledger. This comment was also provided in the prior year.

RECOMMENDATION

The Property Tax Clerk should post all change orders to the Tax rolls and then record the effect of the change order on the daily recap and the general ledger.

RESPONSE

All change orders will be posted to the daily recaps as well as the Tax Roll itself.

6. COMMENT

As noted in the prior year, the Town does not maintain a formal in-house general ledger on its fixed assets. Instead, they have relied on the listing maintained by the Town CPA. While this listing can be assumed to be reliable, it is not maintained on a timely basis. It is updated annually during the audit.

RECOMMENDATION

The Town should take the figures from the audit workpapers and establish a true fixed asset ledger. This ledger should include the purchase date of the asset, the cost, the funding source, a brief description of the asset, a serial number if available, and the location/department to which the asset is assigned. This ledger should be updated periodically during the year to account for additions and deletions.

RESPONSE

We will review this with our CPA and determine if, and when, this can be accomplished.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

PROTECTING THE ASSETS OF THE TOWN (CONTINUED)

7. COMMENT

Several years ago, the Town began the practice of "tagging" its fixed assets with identification numbers. Although not required by law, this does provide a very effective means of tracking assets as well as acting as a deterrent to theft. During my testwork, I noted that the tag numbers were not being tracked in the general fixed asset listing.

RECOMMENDATION

The Town should look into implementing an in-house fixed asset ledger which is coordinated with the tagged asset system.

RESPONSE

Same response as comment 6; we will meet with our CPA.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

IMPROVING FINANCIAL REPORTING

8. COMMENT

During my testwork on payroll and related liabilities, I noted that salaries are allocated by department, however, costs related to payroll, such as payroll taxes, hospitalization and workmen's compensation insurance, are not allocated to each department. Instead, the General and Administrative Department covers these costs. The Police Department started getting charged for its share of these salary-related costs during the current fiscal year, however, none of the other Departments, such as the Mayor's Office, Streets or Sanitation are allocated any costs. This is distorting the true cost of providing a particular service. For example, a large percentage of the workmen's compensation insurance cost relates to the streets and sanitation departments. For sanitation, where a fee is charged to cover costs, the expenses of this department are currently understated. If a fee is set to cover the costs shown in the department as it stands, the fee will be too low.

RECOMMENDATION

To get a better picture of the costs of each department within the General Fund, the Town should consider allocating these salary-related costs to each department with salaries expense.

RESPONSE

We will attempt to do this for the 97-98 fiscal year.

9. COMMENT

During my testwork on expenditures, I noted several instances where grant revenues were being posted as credits against the expenditure account rather than being recorded as revenue. This practice understates the Town's revenues and expenditures. It also makes it difficult for the agencies granting the money to the Town to determine whether it was used properly.

RECOMMENDATION

Grants (particularly those relating to police training and equipment) should be recorded as revenues and not as credits against the expenditure account.

RESPONSE

This will be done.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Seven Months Ended January 31, 1997

IMPROVING FINANCIAL REPORTING (CONTINUED)

10. COMMENT

The Town now records inventory for gas held in storage with the Louisiana Municipal Gas Authority. Each month, a bill is presented to the Town showing the purchases and uses of gas for the period, as well as the end of month inventory. During my testwork on inventory, I noted that the inventory accounts was not being adjusted on a monthly basis for changes noted on the bill. Thus, inventory at June 30, 1997 was overstated until adjustments were made.

RECOMMENDATION

The Town should adjust its inventory account to reflect the proper balance at the end of each month.

RESPONSE

This will be done on a monthly basis.

11. COMMENT

During my testwork on fixed assets, I noted a number of mispostings in the capital outlay expenditure accounts, particularly in the lease payments. These items were not being consistently posted to a single account. For example, payments 2, 3, and 4 would be posted to one account and then the next 2 payments would go against another account.

RECOMMENDATION

Greater care should be given to the coding of expenditures, particularly the lease payments.

RESPONSE

The Town Clerk will be notified to review the codings on leases and installment purchases more carefully.

TOWN OF GRAND ISLE, LOUISIANA
COMMENTS AND SUGGESTIONS (CONTINUED)
For the Seven Months Ended January 31, 1997

GENERAL COMMENTS

12. COMMENT

As of June 30, 1997, the Drainage District No. 1 Special Revenue Fund had a deficit in its undesignated fund balance of \$5,313. This deficit appears to have resulted from cost overruns and unanticipated costs associated with installing the 5 pumps under the Hazard Mitigation Grant.

RECOMMENDATION

The Town should monitor the financial position of the Drainage District fund as the projects go on. The General Fund should immediately cover any shortfalls noted.

RESPONSE

This will be looked as the situation occurs.

13. COMMENT

At June 30, 1996, a liability to Deltide Fishing and Rental Tools, Inc. was discovered in the amount of \$49,205. This amount represents several year's worth of administrative and maintenance payments due under a 35 year old lease agreement for access to a 6 inch natural gas line. Apparently, the Town was contacted several times within the past few years regarding the amounts due, however, no payments were made and no liability was recorded. During my testwork on the Water & Gas fund, I noted that the Town only paid ½ of the amount due. The remainder continues to be carried as a liability.

RECOMMENDATION

Recognizing how payments due on a 35 year old lease could fall through the cracks, the Town should still be alert to such agreements and/or contracts and should properly account for the amounts due. A resolution of some type should be made on the balance due.

RESPONSE

This matter is under negotiation. Any amounts proven to be owed by the Town will be paid, however, we are looking to set up payments over time.

***COMPLIANCE WITH LAWS
AND REGULATIONS***

Paul C. Rivera, CPA

(504) 371-4390

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the fiscal year ended June 30, 1997, and have issued my reports thereon dated December 21, 1997. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions.

Material instances of noncompliance have already been reported on in a separately issued report, entitled "Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based on an Audit Performed in Accordance with Government Auditing Standards". The attached schedule of noncompliance with laws and regulations includes certain immaterial instances of noncompliance noted as a result of the items tested.

I have already discussed these findings with the Town's administrative personnel and have included their responses. I will be pleased to discuss these comments with you in further detail at your convenience or to perform any additional study of these matters.

Paul C. Rivera, CPA

December 21, 1997

TOWN OF GRAND ISLE, LOUISIANA
SCHEDULE OF NONCOMPLIANCE WITH
LAWS AND REGULATIONS
For the Fiscal Year Ended June 30, 1997

1. FINDING

The Parish of Jefferson receives federal assistance in the form of food stamps. The Parish also receives cash assistance for administering the food stamp program. The Town acts as the Parish's agent for issuing food stamps on the Isle. Under the terms of the agreement, the Town is reimbursed for ½ of its expenses. During my testwork, I noted that the Town had failed to file reimbursement requests with the parish for the period from September 1996 to January 1997.

RESPONSE

This was an oversight of the previous administration. The current Treasurer is aware of the required filings and has brought us up to date. As of August 1997, the food stamp program was discontinued at the local level, thus the Town is no longer administering any coupons.

2. FINDING

As noted in the previous year, the Solid Waste Rules and Regulations and the Louisiana Environmental Quality Act (LRS 30:2025(e)) appear to have been violated by the Town in regards to its operation of the local transfer station (i.e., dump-site). While no new violations have been noted, the Louisiana Department of Environmental Quality (DEQ) has issued civil penalties in relation to the past violations it noted.

RESPONSE

The current administration is aware of the rules and regulations and is doing everything in its power to comply. No new violations have occurred and verbal agreements have been reached with the DEQ on closing the dump-site in accordance with State law.