

**Town of Greenwood
Greenwood, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1996**

There were no compliance findings or questioned costs for the previous years audit for the year ended June 30, 1995.

There are no compliance findings or questioned costs in this audit for the year ended June 30, 1996.

This report is intended for the information of the Town of Greenwood. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Cook & Morehart". The signature is written in black ink and has a long, horizontal flourish extending to the right.

Cook & Morehart
Certified Public Accountants
December 6, 1996

COOK & MOREHART

Certified Public Accountants

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Single Audit Opinion on Compliance With Specific Requirements Applicable to Major Federal Financial Assistance Programs

Town of Greenwood
Greenwood, Louisiana

We have audited the general purpose financial statements of the Town of Greenwood as of and for the year ended June 30, 1996, and have issued our report thereon dated December 6, 1996.

We have also audited the Town of Greenwood's compliance with the requirements identified below that are applicable to its major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the Town of Greenwood is responsible for the Town of Greenwood's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We have identified the following specific requirements relating to the major federal financial assistance program of the Town of Greenwood:

Reporting

Special requirements – maintaining reserve accounts

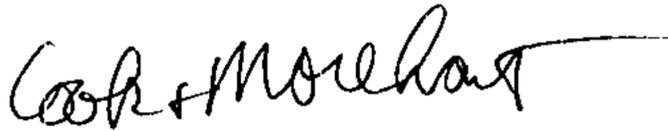
We conducted our audit of compliance with these requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Town of Greenwood's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Town of Greenwood complied, in all material respects, with the specific requirements listed previously that are applicable to its major federal financial assistance program for the year ended June 30, 1996.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Town of Greenwood in a separate management letter dated December 6, 1996.

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December 6, 1996

not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

- Budget
- Cash
- Revenue, receivables, and receipts
- Expenditures for goods and services and accounts payable
- Payroll and related liabilities
- Property, equipment and capital expenditures
- Debt and other liabilities

Controls used in administering individual federal financial assistance programs

General requirements

- Civil rights
- Administrative requirements

Specific requirements

- Reporting
- Special requirements – maintaining reserve accounts

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the Town of Greenwood expended 100% of its total federal financial assistance under one major federal financial assistance program.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Town of Greenwood's major federal financial assistance program, which is identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

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Single Audit Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs

Town of Greenwood
Greenwood, Louisiana

We have audited the general purpose financial statements of the Town of Greenwood, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 6, 1996.

We have also audited the compliance of the Town of Greenwood with requirements applicable to major federal financial assistance programs and have issued our report thereon dated December 6, 1996.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Town of Greenwood complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of the Town of Greenwood in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Town of Greenwood and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 6, 1996.

The management of the Town of Greenwood is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and

**Reports in Accordance With
OMB Circular A-128**

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Compliance Report Based on an Audit of General Purpose Financial
Statements Performed in Accordance With Government Auditing Standards

Town of Greenwood
Greenwood, Louisiana

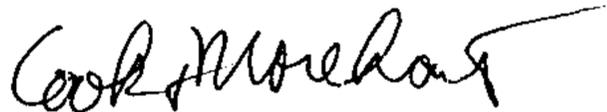
We have audited the general purpose financial statements of the Town of Greenwood as of and for the year ended June 30, 1996, and have issued our report thereon dated December 6, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Town of Greenwood is the responsibility of the Town of Greenwood's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Town of Greenwood. However, this report is a matter of public record and its distribution is not limited.



Cook & Morehart
Certified Public Accountants
December 6, 1996

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Town of Greenwood, in a separate management letter dated December 6, 1996.

This report is intended for the information of the Town of Greenwood. However, this report is a matter of public record and its distribution is not limited.



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Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance With Government Auditing Standards

Town of Greenwood
Greenwood, Louisiana

We have audited the general purpose financial statements of the Town of Greenwood as of and for the year ended June 30, 1996, and have issued our report thereon dated December 6, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Greenwood, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Town of Greenwood, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

**Reports in Accordance with
Government Auditing Standards**

Town of Greenwood
Greenwood, Louisiana
Schedule of Federal Financial Assistance
For the Year Ended June 30, 1996

<u>Federal Grantor - Program Title</u>	<u>CFDA Number</u>
U.S. Department of Agriculture - Farmers Home Administration - Direct Program - Water and Waste Disposal Systems for Rural Communities	10.418

Note:

On June 30, 1981, Sewer Revenue Bonds issued by the Town totaling \$414,000, with a remaining balance of \$348,000 at June 30, 1996, were purchased by the Farmers Home Administration.

On December 14, 1988, General Obligation Sewer Bonds issued by the Town totaling \$1,550,000, with a remaining balance of \$1,482,091 at June 30, 1996, were purchased by the Farmers Home Administration.

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Report on Supplementary Schedule
of Federal Financial Assistance

Town of Greenwood
Greenwood, Louisiana

We have audited the general purpose financial statements of the Town of Greenwood as of June 30, 1996 and for the year then ended, and have issued our report thereon dated December 6, 1996. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Town of Greenwood taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



Cook & Morehart
Certified Public Accountants
December 6, 1996

Town of Greenwood
Greenwood, Louisiana
Supplemental Information Schedules
For the Year Ended June 30, 1996

Schedule of Amounts Paid to Members
of the Governing Body

Mayor – Owen D. Adams, Salary and allowance	\$ 8,400
Aldermen:	
Rebecca C. Burks	1,300
Betty Massey	1,200
James Saintigan	1,200
Edgar Wilkinson	1,200
Youree Hamilton	1,200
	<u>\$ 14,500</u>

Town of Greenwood
Greenwood, Louisiana
Supplemental Information Schedules
Schedule of Insurance in Force
As of June 30, 1996

<u>Insurer</u>	<u>Expiration Date</u>	<u>Description</u>	<u>Coverage</u>	<u>Amount</u>
Titan Indemnity Company	2-23-97	Commercial Package Policy		
		General Liability Coverage		
		Personal Injury Liability		1,000,000 Each Occurrence
		Fire Damage Liability		1,000,000 Each Occurrence
Titan Indemnity Company	2-23-97	Inland Marine Policy		
		Police Department Equipment		25,150
		Water and Sewer Equipment		508,200
		Commercial Property Policy		
		Personal Property		500
		Building		500,000
Titan Indemnity Company	2-23-97	Business Auto Policy		
		Liability		1,000,000 Per Accident
		Uninsured Motorist		1,000,000 Per Accident
		Physical Damage		
		Comprehensive and Collision		
Titan Indemnity Company	2-23-97	Law Enforcement Officers' Liability Policy		1,000,000 Each Occurrence
		Workers' Compensation		100,000 Each Accident 500,000 Policy Limit
Shelter Insurance	9-22-97	Commercial Fire Insurance Policy		
		Building - Main		240,000
		Personal Property - Main		13,500
		Building - Annex		50,000
		Personal Property - Annex		2,000
Western Surety	5-07-97	Surety Bond - Mayor and Town Clerk		250,400
		Surety Bond - Town Clerk		200,000
	6-20-97	Surety Bond - Town Clerk		20,000
		Surety Bond - Mayor and Town Clerk		23,400
	3-01-97	Surety Bond - Town Clerk		20,000
		Surety Bond - (3) Secretary		5,000 Each
	6-16-17	Surety Bond - Town		5,000

Town of Greenwood
Greenwood, Louisiana
Combining Schedule of Cash Flows
All Proprietary Fund Types
For the Year Ended June 30, 1996

	Enterprise		Total
	Water	Sewer	
Cash flows from operating activities:			
Operating net income (loss)	\$ (55,503)	\$ 23,212	\$ (32,291)
Adjustments to reconcile operating income to net cash provided by (used) by operating activities:			
Depreciation	18,925	152,977	171,902
(Increase) decrease in accounts receivable	14,352	12,009	26,361
Increase (decrease) in accounts payable	14,003	769	14,772
Increase (decrease) in payroll taxes payable	587	(121)	466
Increase (decrease) in sales tax payable	(7)	-	(7)
Increase (decrease) in customers' deposits	3,500	3,745	7,245
Net cash provided by operating activities	<u>(4,143)</u>	<u>192,591</u>	<u>188,448</u>
Cash flows from non-capital financing activities:			
Operating transfers from other funds	739,390	-	739,390
Cash flows from capital and related financing activities:			
Proceeds from revenue bonds	2,750,622	-	2,750,622
Principal paid on revenue bonds and notes payable	-	(12,644)	(12,644)
Interest paid on revenue bonds and notes payable	-	(100,842)	(100,842)
Fixed asset additions	(2,752,373)	(9,000)	(2,761,373)
Other asset additions	1,500	-	1,500
Net cash provided (used) for capital and related financing activities	<u>(251)</u>	<u>(122,486)</u>	<u>(122,737)</u>
Cash flows from investing activities:			
Interest income	25,535	5,608	31,143
Net increase (decrease) in cash and cash equivalents	<u>760,531</u>	<u>75,713</u>	<u>836,244</u>
Cash and cash equivalents -- July 1, 1995	352,204	253,227	605,431
Cash and cash equivalents -- June 30, 1996	<u>\$ 1,112,735</u>	<u>\$ 328,940</u>	<u>\$ 1,441,675</u>

The accompanying notes are an integral part of this statement.

Town of Greenwood
Greenwood, Louisiana
Combining Schedule of Revenues, Expenses, and Changes in Retained Earnings
All Proprietary Fund Types
For the Year Ended June 30, 1996

	Enterprise		Total
	Water	Sewer	
Operating revenues:			
Charges for service –			
Water sales	\$ 316,639	\$ –	\$ 316,639
Sewerage service charges	–	282,925	282,925
Other charges and fees	20,713	8,756	29,469
Total operating revenues	<u>337,352</u>	<u>291,681</u>	<u>629,033</u>
Operating expenses:			
Salaries	30,900	29,689	60,589
Payroll taxes	2,307	2,197	4,504
Auto and truck expense	61	2,845	2,906
Legal and accounting	8,303	6,335	14,638
Insurance – general	4,457	8,789	13,246
Testing	–	4,691	4,691
Maintenance and repairs	62,671	22,757	85,428
Miscellaneous expenses	12,293	1,198	13,491
Office expense	9,361	654	10,015
Materials and supplies	65,940	15,734	81,674
Bad debts	1,496	–	1,496
Utilities	19,960	20,603	40,563
Water purchases	156,181	–	156,181
Depreciation	18,925	152,977	171,902
Total operating expenses	<u>392,855</u>	<u>268,469</u>	<u>661,324</u>
Operating income (loss)	<u>(55,503)</u>	<u>23,212</u>	<u>(32,291)</u>
Non–operating revenues (expenses):			
Interest income	25,535	5,608	31,143
Interest expense	–	(100,842)	(100,842)
Operating transfers from other funds	739,390	–	739,390
Total non–operating revenues (expenses)	<u>764,925</u>	<u>(95,234)</u>	<u>669,691</u>
Net income (loss)	709,422	(72,022)	637,400
Depreciation transferred to contributions	–	69,450	69,450
Increase (decrease) in retained earnings	709,422	(2,572)	706,850
Retained earnings (deficit) -- July 1, 1995	648,604	(61,414)	587,190
Retained earnings (deficit) -- June 30, 1996	<u>\$ 1,358,026</u>	<u>\$ (63,986)</u>	<u>\$ 1,294,040</u>

The accompanying notes are an integral part of this statement.

Town of Greenwood
Greenwood, Louisiana
Combining Balance Sheet
All Proprietary Fund Types
June 30, 1996

	Enterprise		Total
	Water	Sewer	
Liabilities and Fund Equity			
Liabilities:			
Current liabilities (payable from current assets) –			
Accounts payable	\$ 45,703	\$ 769	\$ 46,472
Payroll taxes payable	1,465	871	2,336
Sales tax payable	1,126	–	1,126
Due to other funds	–	33,122	33,122
Total current liabilities (payable from current assets)	48,294	34,762	83,056
Current liabilities (payable from restricted assets) –			
Revenue bonds payable	–	23,973	23,973
Accrued interest payable	–	58,571	58,571
Customers' deposits	50,773	24,625	75,398
Total current liabilities (payable from restricted assets)	50,773	107,169	157,942
Long-term liabilities –			
Revenue bonds payable	2,750,622	1,458,118	4,208,740
Other notes payable	181,640	–	181,640
Total liabilities	3,031,329	1,600,049	4,631,378
Fund equity:			
Contributed capital	–	618,922	618,922
Retained earnings (deficit) –			
Reserved for sewer construction	–	169,160	169,160
Unreserved	1,358,026	(233,146)	1,124,880
Total retained earnings (deficit)	1,358,026	(63,986)	1,294,040
Total fund equity	1,358,026	554,936	1,912,962
Total liabilities and fund equity	\$ 4,389,355	\$ 2,154,985	\$ 6,544,340

Town of Greenwood
Greenwood, Louisiana
All Proprietary Fund Types
Combining Balance Sheet
June 30, 1996

	Enterprise		Total
	Water	Sewer	
Assets			
Current assets:			
Cash	\$ 1,061,962	\$ 119,175	\$ 1,181,137
Receivables –			
Accounts	19,518	21,572	41,090
Other	24,887	–	24,887
Due from other funds	–	21,677	21,677
Total current assets	<u>1,106,367</u>	<u>162,424</u>	<u>1,268,791</u>
Restricted assets – cash	50,773	209,765	260,538
Property, plant and equipment			
Land	36,223	142,436	178,659
Plant and equipment	<u>3,231,547</u>	<u>3,043,885</u>	<u>6,275,432</u>
	3,267,770	3,186,321	6,454,091
Less accumulated depreciation	<u>(36,115)</u>	<u>(1,403,525)</u>	<u>(1,439,640)</u>
Net property, plant and equipment	<u>3,231,655</u>	<u>1,782,796</u>	<u>5,014,451</u>
Other assets	560	–	560
Total assets	<u>\$ 4,389,355</u>	<u>\$ 2,154,985</u>	<u>\$ 6,544,340</u>

Supplemental Information Schedules

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

Reserve Fund Phase II – (Reserve Fund)

The Town of Greenwood, Sewer Fund is required by the Farmers' Home Administration to deposit 5% of monthly Sinking Fund payments into a Reserve Fund until \$113,486 has been accumulated therein.

Contingency Fund

The Town of Greenwood, Sewer Fund is required by the Farmers' Home Administration to deposit \$488 monthly into this fund for a depreciation allowance. The amount to be accumulated is not stipulated.

For the year ended June 30, 1996, the Proprietary Fund is in compliance with the requirements for making deposits into the three restricted accounts.

(14) Federal Programs

On June 30, 1981, Sewer Revenue Bonds issued by the Town totaling \$414,000 (CFDA 10.418) were purchased by the Farmers Home Administration. The remaining balance of \$348,000 is included in revenue bonds payable on the accompanying balance sheet.

On December 14, 1988, General Obligation Sewer Bonds issued by the Town totaling \$1,550,000 (CFDA 10.418) were purchased by the Farmers Home Administration. The remaining balance of \$1,482,091 is included in revenue bonds payable on the accompanying balance sheet.

(15) Subsequent Event

The Town obtained financing through a bond anticipation note of \$2,990,000 on July 11, 1995. On August 1, 1996 the Town issued \$2,990,000 in water revenue bonds bearing an interest rate of 5.875% payable over a 40 year period of time.

(16) Expenditures – Actual and Budget

The following individual funds have actual expenditures over budgeted expenditures for the year ended June 30, 1996:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 331,377	\$ 364,147	\$ 32,770

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

(12) Changes in Contributed Capital

The following is a summary of changes in contributed capital:

Balance at June 30, 1995	\$	688,372
Depreciation transferred to contributed capital	(69,450)
Balance at June 30, 1996	\$	<u>618,922</u>

(13) Restricted Assets – Proprietary Fund Type

Restricted assets were applicable to the following at June 30, 1996:

		<u>Enterprise Fund</u> <u>Sewer</u>
Cash:		
Caddo Parish Commission	\$	10,773
Sewer construction phase II		5,207
Customer deposits		75,398
Contingency fund phase II		81,021
Reserve fund phase II		<u>88,139</u>
	\$	<u>260,538</u>

Components of Restricted Assets:

Contingency Fund Phase II – (Sinking Fund)

The Town of Greenwood, Sewer Fund is required by the Farmers' Home Administration to maintain a Sinking Fund into which 1/12 of the annual installment note payment is deposited or \$9,457 per month.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

(10) Changes in General Long-Term Obligations (Continued)

At June 30, 1996, the Town has accumulated \$133,462 in debt services funds for future debt requirements. The annual requirements to amortize all bonds outstanding, except for the bond anticipation note, at June 30, 1996, including interest of \$270,700 for the General Obligation Bonds and \$2,149,461 for the Revenue Bonds follows:

<u>Year Ending June 30</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
1997	\$ 23,400	\$ 113,486	\$ 136,886
1998	25,100	113,486	138,586
1999	24,700	113,486	138,186
2000-2004	123,200	567,430	690,630
2005-2009	124,400	567,430	691,830
2010-2014	123,700	567,430	691,130
2015-2019	124,700	567,430	692,130
2020-2024	49,500	567,430	616,930
2025-2029	-	453,944	453,944
	<u>\$ 618,700</u>	<u>\$ 3,631,552</u>	<u>\$ 4,250,252</u>

General obligation bonds are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 39:562, the Town is legally restricted from incurring long-term bonded debt in excess of 35 per cent of the assessed value of taxable property in the Town.

(11) Interfund Transactions

Interfund receivables and payables consist of the following at June 30, 1996:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 35,484	\$ -
Debt Service	-	24,038
Enterprise Funds		
Sewer Fund	<u>21,676</u>	<u>33,122</u>
	<u>\$ 57,160</u>	<u>\$ 57,160</u>

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

(10) Changes in General Long-Term Obligations (Continued)

Sewer revenue bonds:

\$1,300,000 dated 12/14/88, due in annual installments of \$93,821 including interest at 6 5/8%, through December 14, 2028. The payments shall be equal in amount and consist of fully amortized installments of principal and interest \$ 1,241,766

Sewer revenue bonds:

\$250,000 dated 12/14/88, due in annual installments of \$19,665 including interest at 7 3/8%, through December 14, 2028. The payments shall be equal in amount and consist of fully amortized installments of principal and interest 240,325

Water revenue bond anticipation note:

\$2,990,000 dated July 11, 1995, interest rate 4.75% payable in principal and interest on August 16, 1996, at which time revenue bonds will be issued to be payable over a 40 year period of time. First payment due August 1, 1997 2,750,622

Total Revenue Bonds

\$ 4,232,713

Other notes payable

Note payable to State of Louisiana non-interest bearing with no fixed maturity date

\$ 181,640

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

(10) Changes in General Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended June 30, 1996:

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Other Notes</u>	<u>Total</u>
Obligations payable at July 1, 1995	\$ 354,000	\$ 1,494,735	\$ 181,640	\$ 2,030,375
Less principal payments year ended June 30, 1996	(6,000)	(12,644)	-	(18,644)
Additions year ended June 30, 1996	-	2,750,622	-	2,750,622
Obligations payable at June 30, 1996	<u>\$ 348,000</u>	<u>\$ 4,232,713</u>	<u>\$ 181,640</u>	<u>\$ 4,762,353</u>

Obligations payable at June 30, 1996 are comprised of the following individual issues:

General obligation bonds:

\$207,000 dated 7/1/81; due in annual installments of
\$2,000 - \$12,000 through July 1, 2021; interest at 5%.

The debt redemption is paid from the Debt Service Fund.

\$ 174,000

General obligation bonds Sewer District #1:

\$207,000 sewerage utility bonds dated 7/1/81; due
in annual installments of \$2,000 - \$12,000 through
July 1, 2021; interest at 5%

174,000

Total General Obligation Bonds

\$ 348,000

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

(7) 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; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

(8) Pension Plan

Police employees of the Town are members of Municipal Police Employee's Retirement System. This is a statewide retirement system. This system is a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Funding Policy - Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System for the years ending June 30, 1996 and 1995 were \$8,837 and \$5,423 respectively, equal to the required contributions for each year.

(9) Other Postemployment Benefits

The Town provides no other postemployment benefits to its employees.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

(6) Fixed Assets

A summary of changes in general fixed assets for the year follows:

	<u>Balance</u> <u>July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1996</u>
Town Hall	\$ 434,710	\$ -	\$ -	\$ 434,710
Law enforcement equipment	126,039	39,213	-	165,252
Furniture and fixtures	29,878	3,212	-	33,090
Waterline relocation	50,000	-	-	50,000
Street lights	52,099	-	-	52,099
Museum	-	10,758	-	10,758
Playground	<u>-</u>	<u>13,280</u>	<u>-</u>	<u>13,280</u>
Total general fixed assets	<u>\$ 692,726</u>	<u>\$ 66,463</u>	<u>\$ -</u>	<u>\$ 759,189</u>

A summary of proprietary fund type property, plant and equipment at June 30, 1996 follows:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Land	\$ 36,223	\$ 142,436	\$ 178,659
Sewer system	3,231,547	3,043,885	6,275,432
Total	<u>3,267,770</u>	<u>3,186,321</u>	<u>6,454,091</u>
Less accumulated depreciation	(36,115)	(1,403,525)	(1,439,640)
Net	<u>\$ 3,231,655</u>	<u>\$ 1,782,796</u>	<u>\$ 5,014,451</u>

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

(4) Cash and Cash Equivalents

The following is a summary of cash and cash equivalents (book balances) at June 30, 1996:

Demand deposits	\$ 337,593
Interest-bearing demand deposits	765,826
Money market accounts	517,464
Time deposits	1,183,687
 Total	 <u>\$ 2,804,570</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 1996, the Town had \$2,839,687 in deposits (collected bank balances). These deposits are secured from risk by \$300,000 of federal deposit insurance and \$1,980,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank, leaving \$559,687 at three banks unsecured. The accounts are held at three different Louisiana banks.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

(5) Fund Balance – Designation

The amount shown as fund balance – designated for subsequent expenditures represents funds collected by the Town designated for a certain construction project.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

P. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(2) Fund Deficits

The following individual funds have deficits in unreserved retained earnings at June 30, 1996:

<u>Fund</u>	<u>Deficit Amount</u>
Enterprise Fund – Sewer	<u>\$ (233,146)</u>

(3) Levied Taxes

Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. State law requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31.

The following is a summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Fund	8.56	8.56	2021
Debt Service	variable	4.20	2021

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

L. Interfund Transactions

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

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 of the primary government are reported as operating transfers.

M. Sales Taxes

The Town collects a 1% sales and use tax. After paying reasonable and necessary costs and expenses of collecting and administering the tax, the tax is to be dedicated and used exclusively for the following purposes: general fund and sewerage fund land acquisitions; general fund and sewerage fund capital expenditures; sewerage fund for additions, improvements and extensions of the sewerage system and general fund for operations.

N. Bad Debts

Uncollectible amounts due for ad valorem taxes, customer's utility receivables and special assessments are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

O. Total Columns on Combined Statements

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

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

Proprietary Fund

Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Sewer and Water System	15 - 20 years
Equipment	5 - 10 years

I. Compensated Absences

The cost of current leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken. There is no formal leave policy. The Town generally allows up to two weeks vacation after one year of service. No carryover or accrued vacation leave is allowed.

As of June 30, 1996, employee leave benefits were determined to be immaterial and are therefore not recorded as a liability.

J. Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

K. Fund Equity

Contributed Capital

Contributed capital is recorded in proprietary funds for capital grants restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the Town of Greenwood, Louisiana may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. Short-Term Interfund Receivables/Payables

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

H. Fixed Assets

General Fixed Assets Account Group

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain ("infrastructure") general fixed assets are not capitalized along with other general fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

The modified accrual basis of accounting is used by governmental fund types. Under the modified accrual basis, 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. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the collecting government at year-end on behalf of the Town also are recognized as revenue. Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received as cash.

E. Budget and Budgetary Accounting

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

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General, Special Revenue, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts in the accompanying statements are as originally adopted, or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise Funds – account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis is financed through user charges.

The account groups of the town are described as follows:

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from government funds.

D. *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 are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
(Continued)
June 30, 1996

Blended Component Unit

Component units that are legally separate from the Town but are so intertwined with the Town that they are, in substance, the same as the Town are blended component units. For a component unit to be blended, the organization's board and the Town must be substantively the same, or the organization must provide services entirely or almost entirely to the Town. The following component unit is reported as part of the Town and blended with the appropriate Town funds:

Sewerage District No. 1 of the Town of Greenwood

This district was formed for the purpose of financing a phase of the sewer system utilized by the citizens of the Town of Greenwood. The district's activities are reported in the debt service fund, general fixed assets and general long-term debt account groups.

C. 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 relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds of the Town are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

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

General Fund – the general operating fund of the Town and accounts for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds – account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group.

Town of Greenwood
Greenwood, Louisiana
Notes to Financial Statements
June 30, 1996

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

The Town of Greenwood is incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

A. Basis of Presentation

The accompanying financial statements of the Town of Greenwood 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.

B. Reporting Entity

As the municipal governing authority, for reporting purposes, the Town of Greenwood is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (Town of Greenwood), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Town of Greenwood for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

As required by generally accepted accounting principles, these financial statements present the Town of Greenwood and its component unit. The component unit included in the accompanying financial statements is blended with the Town's funds.

Town of Greenwood
Greenwood, Louisiana
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended June 30, 1996

	<u>Enterprise</u>
Cash flows from operating activities:	
Operating net income (loss)	\$ (32,291)
Adjustments to reconcile operating income to net cash provided by (used) by operating activities:	
Depreciation	171,902
(Increase) decrease in accounts receivable	26,361
Increase (decrease) in accounts payable	14,772
Increase (decrease) in payroll taxes payable	466
Increase (decrease) in sales tax payable	(7)
Increase (decrease) in customers' deposits	7,245
Net cash provided by operating activities	188,448
Cash flows from non-capital financing activities:	
Operating transfers from other funds	739,390
Cash flows from capital and related financing activities:	
Proceeds from revenue bonds	2,750,622
Principal paid on revenue bonds and notes payable	(12,644)
Interest paid on revenue bonds and notes payable	(100,842)
Fixed asset additions	(2,761,373)
Reduction in other assets	1,500
Net cash provided (used) for capital and related financing activities	(122,737)
Cash flows from investing activities:	
Interest income	31,143
Net increase (decrease) in cash and cash equivalents	836,244
Cash and cash equivalents - July 1, 1995	605,431
Cash and cash equivalents - June 30, 1996	\$ 1,441,675

The accompanying notes are an integral part of this statement.

Town of Greenwood
Greenwood, Louisiana
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings
All Proprietary Fund Types
For the Year Ended June 30, 1996

	<u>Enterprise</u>
Operating revenues:	
Charges for service –	
Water sales	\$ 316,639
Sewerage service charges	282,925
Other charges and fees	<u>29,469</u>
Total operating revenues	<u>629,033</u>
 Operating expenses:	
Salaries	60,589
Payroll taxes	4,504
Auto and truck expense	2,906
Bookkeeping	14,638
Insurance – general	13,246
Testing	4,691
Maintenance and repairs	85,428
Miscellaneous expenses	13,491
Office expense	10,015
Materials and supplies	81,674
Bad debts	1,496
Utilities	40,563
Water purchases	156,181
Depreciation	<u>171,902</u>
Total operating expenses	<u>661,324</u>
Operating income (loss)	<u>(32,291)</u>
 Non-operating revenues (expenses):	
Interest income	31,143
Interest expense	(100,842)
Operating transfers from other funds	<u>739,390</u>
Total non-operating revenues (expenses)	<u>669,691</u>
Net income (loss)	637,400
 Depreciation transferred to contributions	<u>69,450</u>
Increase (decrease) in retained earnings	706,850
 Retained earnings – July 1, 1995	<u>587,190</u>
Retained earnings – June 30, 1996	<u>\$ 1,294,040</u>

The accompanying notes are an integral part of this statement.

Town of Greenwood
Greenwood, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual General, Special Revenue and Debt Service Fund Types
For the Year Ended June 30, 1996

	General Fund		Special Revenue Fund Types		Debt Service Fund Type		Variance- Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual	
Revenues:							
Taxes							
Ad valorem	\$ 84,000	\$ 67,120	\$ -	\$ -	\$ 16,900	\$ 33,877	\$ 16,977
Franchise	39,000	32,725	-	-	-	-	-
Sales	-	-	150,000	167,445	-	-	-
Licenses and permits	510,500	610,914	-	-	-	-	-
Intergovernmental							
Tobacco taxes	7,300	10,883	-	-	-	-	-
State and federal grants	16,000	18,305	-	-	-	-	-
Fines and forfeits	75,000	72,945	-	-	-	-	-
Other	8,530	12,310	-	-	-	-	-
Interest income	20,000	52,122	2,000	1,952	3,000	7,998	4,998
Total revenues	<u>760,330</u>	<u>877,324</u>	<u>152,000</u>	<u>169,397</u>	<u>19,900</u>	<u>41,875</u>	<u>21,975</u>
Excess over							
Fund b	148,137	165,263	1,750	1,723	-	-	-
Fund b	108,240	132,421	-	-	-	-	-
Capital outlay	75,000	66,463	-	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	6,000	6,000	-
Interest and fiscal charges	-	-	-	-	18,000	17,700	300
Total expenditures	<u>331,377</u>	<u>364,147</u>	<u>1,750</u>	<u>1,723</u>	<u>24,000</u>	<u>23,700</u>	<u>300</u>

The accompanying notes are an integral part of this statement.

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Town of Greenwood
Greenwood, Louisiana
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended June 30, 1996

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total (Memorandum Only)</u>
Revenues:				
Taxes				
Ad valorem	\$ 67,120	\$ -	\$ 33,877	\$ 100,997
Franchise	32,725	-	-	32,725
Sales	-	167,445	-	167,445
Licenses and permits	610,914	-	-	610,914
Intergovernmental				
Tobacco taxes	10,883	-	-	10,883
State and federal grants	18,305	-	-	18,305
Fines and forfeits	72,945	-	-	72,945
Other	12,310	-	-	12,310
Interest income	52,122	1,952	7,998	62,072
Total revenues	<u>877,324</u>	<u>169,397</u>	<u>41,875</u>	<u>1,088,596</u>
Expenditures:				
Current -				
General government	165,263	1,723	-	166,986
Public safety -				
Police	132,421	-	-	132,421
Capital outlay	66,463	-	-	66,463
Debt service:				
Principal retirement	-	-	6,000	6,000
Interest and fiscal charges	-	-	17,700	17,700
Total expenditures	<u>364,147</u>	<u>1,723</u>	<u>23,700</u>	<u>389,570</u>
Excess of revenues over (under) expenditures	<u>513,177</u>	<u>167,674</u>	<u>18,175</u>	<u>699,026</u>
Other financing sources (uses):				
Operating transfers in	172,455	-	-	172,455
Operating transfers out	<u>(738,390)</u>	<u>(185,455)</u>	<u>-</u>	<u>(923,845)</u>
Total other financing sources (uses)	<u>(565,935)</u>	<u>(185,455)</u>	<u>-</u>	<u>(751,390)</u>
Excess of revenues and other sources over (under) expenditures and other uses	(52,758)	(17,781)	18,175	(52,364)
Fund balances at beginning of year	1,376,546	121,549	115,287	1,613,382
Fund balances - June 30, 1996	<u>\$ 1,323,788</u>	<u>\$ 103,768</u>	<u>\$ 133,462</u>	<u>\$ 1,561,018</u>

The accompanying notes are an integral part of this statement.

Town of Greenwood
Greenwood, Louisiana
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1996

	Governmental Fund Types			Proprietary Fund Type	Accounts Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service		General Fixed Assets	General Long-Term Debt		
Liabilities and Fund Equity								
Liabilities:								
Accounts payable	\$ 11,063	\$ -	\$ -	\$ 46,472	\$ -	\$ -	\$ -	\$ 57,535
Due to other funds	-	-	24,038	33,122	-	-	-	57,160
Sales tax payable	-	-	-	1,126	-	-	-	1,126
Payroll taxes payable	3,436	-	-	2,336	-	-	-	5,772
Payable from restricted assets -								
Revenue bonds - current maturities	-	-	-	23,973	-	-	-	23,973
Accrued interest	-	-	-	58,571	-	-	-	58,571
Customers' deposits	-	-	-	75,398	-	-	-	75,398
General obligation bonds payable	-	-	-	-	348,000	-	-	348,000
Revenue bonds payable - long term	-	-	-	4,208,740	-	-	-	4,208,740
Other notes payable	-	-	-	181,640	-	-	-	181,640
Total liabilities	14,499	-	24,038	4,631,378	-	348,000	-	5,017,915
Fund equity:								
Contributed capital	-	-	-	618,922	-	-	-	618,922
Investment in general fixed assets	-	-	-	-	759,189	-	-	759,189
Retained earnings -								
Reserved for sewer construction	-	-	-	169,160	-	-	-	169,160
Unreserved	-	-	-	1,124,880	-	-	-	1,124,880
Fund balances -	-	-	-	1,312,962	-	-	-	1,312,962
Reserved for debt service	24,606	-	-	-	-	-	-	24,606
Unreserved, designated for subsequent expenditures	-	-	-	-	-	-	-	-
Unreserved, undesignated	1,299,182	103,768	-	-	-	-	-	1,402,950
Total fund equity	1,323,788	103,768	133,462	1,912,962	759,189	-	-	4,233,169
Total liabilities and fund equity	\$ 1,338,287	\$ 103,768	\$ 157,500	\$ 6,544,340	\$ 759,189	\$ 348,000	\$ -	\$ 9,251,084

The accompanying notes are an integral part of this statement.

Town of Greenwood
Greenwood, Louisiana
Combined Balance Sheet – All Fund Types and Account Groups
June 30, 1996

	Governmental Fund Types			Proprietary Fund Type	Accounts Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service		General Fixed Assets	General Long-Term Debt		
Assets and Other Debits								
Cash	\$ 1,101,627	\$ 103,768	\$ 157,500	\$ 1,181,137	\$ -	\$ -	\$ -	\$ 2,544,032
Receivables –								
Accounts	2,716	-	-	41,090	-	-	-	43,806
Licenses and permits	198,461	-	-	-	-	-	-	198,461
Other	-	-	-	24,887	-	-	-	24,887
Due from other funds	35,483	-	-	21,677	-	-	-	57,160
Restricted assets – cash	-	-	-	260,538	-	-	-	260,538
Property and equipment, net	-	-	-	5,014,451	759,189	-	-	5,773,640
Other assets	-	-	-	560	-	-	-	560
Amount available in debt service funds Amount to be provided for retirement of general long-term debt	-	-	-	-	-	133,462	-	133,462
Total assets	\$ 1,338,287	\$ 103,768	\$ 157,500	\$ 6,544,340	\$ 759,189	\$ 214,538	\$ 348,000	\$ 9,251,084

The accompanying notes are an integral part of this statement.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as whole. The accompanying financial information listed as supporting schedules in the table of contents and shown on pages 27-32 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Greenwood. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Cook & Morehart
Certified Public Accountants
December 6, 1996

COOK & MOREHART

Certified Public Accountants

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A. EDWARD BALL, CPA

Independent Auditors' Report

The Honorable Owen D. Adams, Mayor
and Board of Aldermen
Town of Greenwood
Greenwood, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Greenwood, Louisiana, as of June 30, 1996 and for the year then ended. These general purpose financial statements are the responsibility of the Town of Greenwood's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Greenwood, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 6, 1996 and shown on pages 36-37 on our consideration of the Town of Greenwood's internal control structure and a report dated December 6, 1996 and shown on page 38 on its compliance with laws and regulations.

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Town of Greenwood
Greenwood, Louisiana

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(Continued)

The above comment was not listed in the audit report as of June 30, 1996 and for the year then ended. We express our sincere thanks to the Town of Greenwood for the cooperation and assistance provided us during our examination. We are available to provide you assistance and consultation in the implementation of the above recommendations. This letter is furnished solely for the use of management and is not to be used for any other purpose.

A handwritten signature in cursive script that reads "Cook & Morehart".

Cook & Morehart
Certified Public Accountants
December 6, 1996

COOK & MOREHART

Certified Public Accountants

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Management Letter

December 6, 1996

The Honorable Owen D. Adams, Mayor
and Board of Aldermen
Town of Greenwood
Greenwood, Louisiana

We have audited the general purpose financial statements of the Town of Greenwood, as of June 30, 1996 and for the year then ended and have issued our report thereon dated December 6, 1996. As part of our audit we made a study and evaluation of the system of internal control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards, the standards for financial and compliance audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States, the Single Audit Act of 1984 and the provisions of Circular A-128, Audits of State and Local Governments. No material weaknesses in internal control were noted during this study and evaluation, however the following item was noted which appear to merit your attention and should be considered to enhance the internal operations of the Town of Greenwood.

Budgetary Authority and Control

During our audit and upon preparation of the audit report we note the following concerning the budgets originally adopted and subsequently amended for the General Fund and the Special Revenue Fund:

The actual expenditures and other uses exceeded the total budgeted expenditures and other uses by more than five percent.

Louisiana Revised Statue 39:1310 states that action be taken when the above budgetary situation occurs. It should be noted that the Town of Greenwood had sufficient fund balances for the expenditures made during the year.

We recommend that the Town monitor the budgeted expenditures and other uses to ensure compliance with the above mentioned statute.

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**Town of Greenwood
Greenwood, Louisiana**
General Purpose Financial Statements
As of and for the Year Ended June 30, 1996

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 3-26-97

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