

TOWN OF GLENMORA  
GLENMORA, LOUISIANA

REPORT ON AUDIT OF  
BASIC FINANCIAL STATEMENT

YEARS ENDED  
JUNE 30, 2011 AND 2010

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

Release Date FEB 01 2012



TOWN OF GLENMORA  
GLENMORA LOUISIANA  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2011

TABLE OF CONTENTS

OTHER SUPPLEMENTAL INFORMATION ( PART III)

<u>SCHEDULE A</u>	Schedule of Insurance in Force	39
<u>SCHEDULE B</u>	Combining Schedule of Water, Sewer & Gas Revenues Expenditures and Changes in Fund Balance	40
	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based On an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	41 - 42
	<u>SUMMARY OF SCHEDULE OF CURRENT YEAR FINDINGS AND CORRECTIVE ACTION PLAN</u>	43 - 45
	<u>SUMMARY OF SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN</u>	46 - 48

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November 15, 2011

INDEPENDENT AUDITORS' REPORT

The Honorable Malcolm L. English, Jr., Mayor  
and Members of the Board of Alderman

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Glenmora, Louisiana, as of and for the years ended June 30, 2011 and 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Town of Glenmora, Louisiana's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion generally accepted in the United States of America.

Because of inadequacies in the Town's accounting records, we were unable to form an opinion regarding the amounts recorded as customer utility liabilities and the income and expense or expenditure allocation between departments and funds.

Because of the significance of the matters discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the above paragraph.

In our opinion, except for the effects of the matters discussed in the two paragraphs immediately above, the financial statements referred in the first paragraph present fairly, in all material respects the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Glenmora, Louisiana, as of June 30, 2011 and 2010, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2011 on our consideration of the Town of Glenmora, Louisiana's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Honorable Malcolm L. English, Jr., Mayor  
and Members of the Board of Alderman  
November 15, 2011  
Page 2

The Town of Glenmora has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is a necessary supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Glenmora, Louisiana's basic financial statements. The combining and individual fund statements and schedules, as well as the accompanying supplemental information as listed in the Table of Contents and identified as Schedule A through Schedule B are presented for purpose of additional analysis and are not a required part of the basic financial statements. The supplemental information on Schedule A through B has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements and accordingly, we express no opinion on them.

GARRETT & GARRETT  
CERTIFIED PUBLIC ACCOUNTANTS

*Garrett & Garrett CPAs*

**BASIC FINANCIAL STATEMENTS**

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
STATEMENTS OF NET ASSETS  
JUNE 30, 2011 AND 2010

EXHIBIT A

	<u>PRIMARY GOVERNMENT</u>		<u>TOTALS</u>	
	<u>GOVERNMENTAL</u>	<u>BUSINESS-TYPE</u>	<u>2011</u>	<u>2010</u>
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>		
<u>ASSETS</u>				
Cash and Interest-Bearing Deposits	\$ 217,211.85	\$ 18,324.64	\$ 235,536.49	\$ 285,018.86
Receivables, Net	121,997.48	61,762.62	183,760.10	145,847.75
Prepaid Expenses	10,230.00	2,213.00	12,443.00	19,914.00
Due from Other Governments	.00	.00	.00	64,093.35
Restricted Assets:				
Cash and Interest-Bearing Deposits	3,891.18	156,179.46	160,070.64	204,100.22
Capital Assets, net	<u>1,508,652.42</u>	<u>4,508,726.44</u>	<u>6,017,378.86</u>	<u>5,965,233.79</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,861,982.93</u></b>	<b><u>\$ 4,747,206.16</u></b>	<b><u>\$ 6,609,189.09</u></b>	<b><u>\$ 6,684,207.97</u></b>
<u>LIABILITIES</u>				
Accounts and Other Payables	\$ 83,769.71	\$ 22,792.97	\$ 106,562.68	\$ 89,880.24
Due to/from other Departments	(143,678.19)	143,678.19	.00	64,093.35
Accrued Interest	2,870.00	9,587.00	12,457.00	14,774.58
Customers Deposits Payable	.00	80,629.66	80,629.66	79,152.83
Bonds and Certificates Payables	<u>148,076.16</u>	<u>2,747,953.71</u>	<u>2,896,029.87</u>	<u>3,007,203.08</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 91,037.68</u></b>	<b><u>\$ 3,004,641.53</u></b>	<b><u>\$ 3,095,679.21</u></b>	<b><u>\$ 3,255,104.08</u></b>
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 1,335,985.97	\$ 1,751,185.53	\$ 3,087,171.50	\$ 3,094,030.71
Restricted				
Debt Service	3,891.48	58,541.55	62,433.03	99,067.01
Fire Department	.00	.00	.00	16,914.54
Unrestricted (Deficit)	<u>431,067.80</u>	<u>(67,162.45)</u>	<u>363,905.35</u>	<u>219,091.63</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$ 1,770,945.25</u></b>	<b><u>\$ 1,742,564.63</u></b>	<b><u>\$ 3,513,509.88</u></b>	<b><u>\$ 3,429,103.89</u></b>

The notes are an integral part of these statements. See accompanying independent auditors' report





**TOWN OF GLENMORA**  
**GLENMORA, LOUISIANA**  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2011 AND 2010**

EXHIBIT C

	GENERAL FUND	FIRE DEPARTMENT	ECONOMIC DEVELOPMENT	PAYROLL FUND	SEWER DISTRICT #1	GAS SINKING	DISBURSEMENT FUND	TOTALS
	2011	2011	2011	2011	2011	2011	2011	2010
<b>ASSETS</b>								
Cash	\$ 180,129.23	\$ .00	\$ 29,886.87	\$ 1,882.34	\$ 2,656.71	\$ 2,656.70	\$ .00	\$ 217,211.85
Receivables, Net of Allowances for Uncollectible Amounts:								
Taxes/Fees	82,264.02	9,299.65	.00	.00	.00	.00	.00	91,563.67
Notes	.00	.00	30,433.81	.00	.00	.00	.00	37,554.18
Prepaid Insurance	8,150.00	2,080.00	.00	.00	.00	.00	.00	10,230.00
Restricted Assets:								
Bond Sinking Fund	.00	3,891.18	.00	.00	.00	.00	.00	3,891.18
Due from Other Funds	171,374.22	.00	19,474.31	410.13	.00	.00	.00	191,258.66
<b>TOTAL ASSETS</b>	<u>\$ 441,917.47</u>	<u>\$ 15,270.83</u>	<u>\$ 79,794.99</u>	<u>\$ 2,292.47</u>	<u>\$ 2,656.71</u>	<u>\$ 2,656.70</u>	<u>\$ .00</u>	<u>\$ 391,309.02</u>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>LIABILITIES</b>								
Accounts and Other Payables	\$ 21,120.76	\$ 5,156.48	\$ .00	\$ 2,292.47	\$ .00	\$ .00	\$ .00	\$ 34,680.24
Accrued Lawsuit Payable	55,200.00	.00	.00	.00	.00	.00	.00	55,200.00
Due to Other Funds	38,436.60	6,481.25	.00	.00	2,662.62	.00	.00	47,580.47
<b>Total Liabilities</b>	<u>\$ 114,757.36</u>	<u>\$ 11,637.73</u>	<u>\$ .00</u>	<u>\$ 2,292.47</u>	<u>\$ 2,662.62</u>	<u>\$ .00</u>	<u>\$ .00</u>	<u>\$ 131,350.18</u>
<b>FUND BALANCE</b>								
Unreserved, Undesignated	\$ 327,160.11	\$ 3,633.10	\$ 79,794.99	\$ .00	\$ (5.91)	\$ 2,656.70	\$ .00	\$ 260,279.23
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 441,917.47</u>	<u>\$ 15,270.83</u>	<u>\$ 79,794.99</u>	<u>\$ 2,292.47</u>	<u>\$ 2,656.71</u>	<u>\$ 2,656.70</u>	<u>\$ .00</u>	<u>\$ 391,309.02</u>

The notes are an integral part of these statements. See accompanying independent auditor's report.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
RECONCILIATION OF THE BALANCE SHEETS  
TO THE STATEMENTS OF NET ASSETS - GOVERNMENTAL FUNDS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

EXHIBIT C -1

	<u>2011</u>	<u>2010</u>
<u>FUND BALANCES</u> - Total Governmental Funds	\$ 413,238.99	\$ 260,279.73
<p>Amounts reported for Governmental Activities in the Statement of Net Assets are different because:</p> <p>Capital Assets used in Governmental Activities are not Financial Resources and therefore are not reported in the Governmental Funds. Those assets consist of:</p>		
Governmental Capital Assets	\$ 2,207,554.48	\$ 2,409,976.71
Less: Accumulated Depreciation	<u>(698,902.06)</u>	<u>(955,848.90)</u>
Net	\$ <u>1,508,652.42</u>	\$ <u>1,454,127.81</u>
<p>Long-term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported in the Governmental Funds.</p>		
Accrued Interest Payable	\$ 2,870.00	\$ 2,846.00
Bonds/Certificates of Indebtedness Payable	<u>148,076.16</u>	<u>136,000.00</u>
Net	\$ <u>150,946.16</u>	\$ <u>138,846.00</u>
<u>NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT A)</u>	<u>\$ 1,770,945.25</u>	<u>\$ 1,575,561.54</u>

The notes are an integral part of these statements. See accompanying independent auditors' report.

TOWN OF GLENMORA  
 GLENMORA, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	GENERAL FUND	FIRE DEPARTMENT	ECONOMIC DEVELOPMENT	PAYROLL FUND	SEWER DISTRICT #1	GAS SINKING	DISHURSEMENT FUND	TOTALS
	2011	2011	2011	2011	2011	2011	2011	2010
<b>REVENUES</b>								
Taxes								
Sales	\$ 362,681.70	\$ 52,739.73	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00	\$ 269,803.25
Advalorem	16,432.33	.00	.00	.00	.00	.00	.00	19,281.18
Licenses & Permits/Franchise	125,407.45	.00	.00	.00	.00	.00	.00	105,431.95
Intergovernment								
Beer Tax	1,087.41	.00	.00	.00	.00	.00	.00	1,849.32
Utilities Relocation Project	.00	.00	.00	.00	.00	.00	.00	.00
Rapides Parish Road Project	49,801.65	.00	.00	.00	.00	.00	.00	.00
FEMA Reimbursement	738.94	.00	.00	.00	.00	.00	.00	21,341.41
2% Insurance	.00	7,655.86	.00	.00	.00	.00	.00	8,494.35
Fines and Forfeits	283,204.25	.00	.00	.00	.00	.00	.00	73,954.50
Miscellaneous								
Interest Income	1,855.57	9.18	4,622.30	.00	6.62	6.62	.00	4,172.97
Supplemental Pay	.00	6,000.00	.00	.00	.00	.00	.00	6,000.00
Lessor/Rental	22,079.36	.00	.00	.00	.00	.00	.00	22,079.36
Oil Royalties	685.62	.00	.00	.00	.00	.00	.00	685.62
Sale of Assets	250.00	.00	.00	.00	.00	.00	.00	300.00
Grants	29,442.24	11,997.04	.00	.00	.00	.00	.00	4,069.15
Donations	.00	.00	.00	.00	.00	.00	.00	248.70
Others	23,072.70	9,672.49	.00	.00	.00	.00	.00	10,897.03
<b>Total Revenues</b>	\$ 915,774.31	\$ 88,074.60	\$ 4,622.30	\$ .00	\$ 6.62	\$ 6.62	\$ .00	\$ 1,008,384.45
<b>EXPENDITURES</b>								
Current								
General Government								
Administrative	\$ 197,160.34	\$ .00	\$ 40.25	\$ .00	\$ .00	\$ .00	\$ .00	\$ 253,509.42
Public Safety	222,382.84	.00	.00	.00	.00	.00	.00	212,569.37
Police	.00	92,489.49	.00	.00	.00	.00	.00	105,316.13
Fire								
Highway and Streets	124,047.12	.00	.00	.00	.00	.00	.00	111,856.28
Street Expenditures	14,167.59	.00	.00	.00	.00	.00	.00	4,763.70
Street Repair	95,175.36	.00	.00	.00	.00	.00	.00	86,998.68
Sanitation Department	18,236.49	.00	.00	.00	.00	.00	.00	18,236.49
Culture and Recreation	35,455.71	11,720.00	.00	.00	.00	.00	.00	47,175.71
Capital Outlay								
Debt Service								
Principal Retirement	2,000.00	23,000.00	.00	.00	.00	.00	.00	32,000.00
Lease Purchase	10,864.00	.00	.00	.00	.00	.00	.00	10,864.00
Interest and Fiscal Charges	400.00	8,386.10	.00	.00	.00	.00	.00	10,609.72
Total Expenditures	\$ 719,889.45	\$ 135,295.49	\$ 40.25	\$ .00	\$ .00	\$ .00	\$ .00	\$ 853,539.29
Excess (Deficiency) of Revenue	\$ 195,884.86	\$ (47,220.89)	\$ 4,582.05	\$ .00	\$ 6.62	\$ 6.62	\$ .00	\$ (194,832.04)
Over (Under) Expenditures	.00	44,151.20	.00	.00	.00	.00	.00	61,000.00
Transfers In	(44,151.20)	.00	.00	.00	.00	.00	.00	(61,000.00)
Transfers Out	(44,151.20)	44,151.20	.00	.00	.00	.00	.00	.00
Total Other Financing Sources (Uses)	\$ 151,733.66	\$ (3,369.69)	\$ 4,582.05	\$ .00	\$ 6.62	\$ 6.62	\$ .00	\$ (194,832.04)
Net Change in Fund Balances	\$ 175,326.45	\$ 2,092.79	\$ 75,212.94	\$ .00	\$ (12.53)	\$ 2,650.08	\$ .00	\$ 455,111.77
<b>FUND BALANCE, Beginning</b>	\$ 327,160.11	\$ 3,633.10	\$ 79,794.99	\$ .00	\$ (5.91)	\$ 2,656.70	\$ .00	\$ 260,279.73
<b>FUND BALANCE, Ending</b>	\$ 502,486.56	\$ 5,725.89	\$ 155,007.93	\$ .00	\$ (8.42)	\$ 5,306.78	\$ .00	\$ 715,391.50

The notes are an integral part of these statements. See accompanying independent auditors' report.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
RECONCILIATION OF THE STATEMENTS OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

EXHIBIT D-1

	2011	2010
Total net changes in fund balances at June 30 per Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit D)	\$ 152,959.26	\$ (194,832.04)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital Outlay which is considered expenditures on the Statement of Revenues, Expenditures and changes in Fund Balance.	76,865.38	17,509.20
Depreciation expense for the year ended June 30	(69,280.93)	(64,293.99)
Governmental funds report bonded debt repayments and expenditures. However, this expenditure does not appear in the Statement of Activities since the payment is applied against the bond payable balance on the Statement of Net Assets.	24,000.00	32,000.00
Lease Purchase Payments	10,864.00	.00
Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis.	(24.00)	721.00
<u>Total Changes in net assets at June 30, per Statement of Activities (Exhibit B)</u>	<u>\$ 195,383.71</u>	<u>\$ (208,895.83)</u>

The notes are an integral part of these statements. See accompanying independent auditors' report.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
STATEMENTS OF FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011 AND 2010

EXHIBIT E

	<u>WATER &amp; SEWER</u>	<u>GAS</u>	<u>TOTAL</u>	
			<u>2011</u>	<u>2010</u>
<b><u>ASSETS</u></b>				
<b><u>Current Assets</u></b>				
Cash and Cash Equivalents	\$ 18,194.63	\$ 130.01	\$ 18,324.64	\$ 30,657.44
Receivables, Net of Allowances for Bad Debt	57,606.20	4,156.42	61,762.62	60,338.41
Due From Other Funds	.00	.00	.00	35,575.97
Prepaid Insurance	<u>2,213.00</u>	<u>.00</u>	<u>2,213.00</u>	<u>5,133.00</u>
Total Current Assets	<u>\$ 78,013.83</u>	<u>\$ 4,286.43</u>	<u>\$ 82,300.26</u>	<u>\$ 131,704.82</u>
<b><u>Non-Current Assets</u></b>				
Restricted Assets:				
Customer Deposits	\$ 72,639.61	\$ 24,998.30	\$ 97,637.91	\$ 105,033.18
Bond Reserve Funds	<u>40,666.25</u>	<u>17,875.30</u>	<u>58,541.55</u>	<u>90,927.16</u>
Total Non-Current Assets	<u>\$ 113,305.86</u>	<u>\$ 42,873.60</u>	<u>\$ 156,179.46</u>	<u>\$ 195,960.34</u>
<b><u>Capital Assets</u></b>				
Property, Plant, and Equipment, at Cost	\$ 6,076,024.85	\$ 1,384,210.32	\$ 7,460,235.17	\$ 7,314,686.31
Less: Accumulated Depreciation	<u>(2,157,888.23)</u>	<u>(793,620.50)</u>	<u>(2,951,508.73)</u>	<u>(2,803,580.33)</u>
Total Capital Assets	<u>\$ 3,918,136.62</u>	<u>\$ 590,589.82</u>	<u>\$ 4,508,726.44</u>	<u>\$ 4,511,105.98</u>
<b><u>TOTAL ASSETS</u></b>	<u>\$ 4,109,456.31</u>	<u>\$ 637,749.85</u>	<u>\$ 4,747,206.16</u>	<u>\$ 4,838,771.14</u>
<b><u>LIABILITIES</u></b>				
<b><u>Current Liabilities</u></b>				
Accounts and Other Payables	\$ 22,792.97	\$ .00	\$ 22,792.97	\$ .00
Due To Other Funds	143,678.19	.00	143,678.19	22,944.30
Due To/From Water/Gas	(49,463.61)	49,463.61	.00	.00
Payable From Restricted Assets				
Revenue Bonds	127,695.22	31,341.33	159,036.55	109,181.70
Accrued Interest Payable	<u>8,649.00</u>	<u>938.00</u>	<u>9,587.00</u>	<u>11,928.55</u>
Total Current Liabilities	<u>\$ 253,351.77</u>	<u>\$ 81,742.94</u>	<u>\$ 335,094.71</u>	<u>\$ 144,054.55</u>
<b><u>Non-Current Liabilities</u></b>				
Customers' Deposits	\$ 42,343.74	\$ 38,285.92	\$ 80,629.66	\$ 79,152.83
Bonds Payable	<u>2,333,529.98</u>	<u>255,387.18</u>	<u>2,588,917.16</u>	<u>2,762,021.38</u>
Total Current Liabilities	<u>\$ 2,375,873.72</u>	<u>\$ 293,673.10</u>	<u>\$ 2,669,546.82</u>	<u>\$ 2,841,174.21</u>
<b><u>TOTAL LIABILITIES</u></b>	<u>\$ 2,629,225.49</u>	<u>\$ 375,416.04</u>	<u>\$ 3,004,641.53</u>	<u>\$ 2,985,228.76</u>
<b><u>NET ASSETS</u></b>				
Invested in Capital Assets Net of Related Debt	\$ 1,448,262.42	\$ 302,923.11	\$ 1,751,185.53	\$ 1,639,902.90
Restricted	40,666.25	17,875.30	58,541.55	90,927.16
Unrestricted	<u>(8,697.85)</u>	<u>(58,464.60)</u>	<u>(67,162.45)</u>	<u>122,712.32</u>
<b><u>TOTAL NET ASSETS</u></b>	<u>\$ 1,480,230.82</u>	<u>\$ 262,333.81</u>	<u>\$ 1,742,564.63</u>	<u>\$ 1,853,542.38</u>

The notes are an integral part of these statements. See accompanying independent auditors' report.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

EXHIBIT F

<u>REVENUES</u>	<u>BUSINESS - TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>ENTERPRISE FUND</u>		<u>2011</u>	<u>2010</u>
	<u>WATER &amp; SEWER</u>	<u>GAS</u>		
Charges for Services				
Water	\$ 315,281.98	\$ .00	\$ 315,281.98	\$ 304,167.05
Sewer	251,420.80	.00	251,420.80	251,754.54
Gas	.00	184,548.55	184,548.55	189,621.32
Miscellaneous	.00	.00	.00	6,093.06
Deduct: Bad Debt Expense	(20,482.00)	.00	(20,482.00)	.00
Total Operating Revenues	<u>\$ 546,220.78</u>	<u>\$ 184,548.55</u>	<u>\$ 730,769.33</u>	<u>\$ 751,635.97</u>
 <u>OPERATING EXPENSE</u>				
<u>Materials and Supplies</u>				
Purchases/Supplies/Other	\$ 6,751.17	\$ 48,086.17	\$ 54,837.34	\$ 58,105.31
Meter Purchases	.00	3,996.90	3,996.90	2,337.05
Chlorine	3,465.65	.00	3,465.65	8,960.90
Lab Fees	.00	.00	.00	270.00
Chemicals and Testing	14,914.69	.00	14,914.69	10,953.77
Electrical	51,997.22	2,040.67	54,037.89	47,205.85
Repairs and Maintenance	168,620.91	27,941.80	196,562.71	167,597.39
Truck Expense	23,958.06	.00	23,958.06	20,304.65
Inspection	.00	425.00	425.00	3,975.11
Insurance	5,537.90	.00	5,537.90	29,422.87
Total Materials and Supplies	<u>\$ 275,245.60</u>	<u>\$ 82,490.54</u>	<u>\$ 357,736.14</u>	<u>\$ 349,132.90</u>
<u>Depreciation and Amortization</u>	<u>\$ 127,109.14</u>	<u>\$ 27,976.74</u>	<u>\$ 155,085.88</u>	<u>\$ 151,349.78</u>
<u>Salaries and Employee Benefits</u>				
Wages	\$ 76,826.71	\$ 32,786.39	\$ 109,613.10	\$ 108,039.51
Contract Labor	12,037.84	.00	12,037.84	.00
Payroll Taxes	5,926.04	2,454.61	8,380.65	8,148.95
Retirement	2,878.57	1,828.84	4,707.41	6,316.81
Workers Compensation	11,893.66	.00	11,893.66	2,538.59
Health Insurance	186.78	29,111.28	29,298.06	47,951.71
Drug Testing	.00	692.10	692.10	1,346.25
Total Salaries and Employee Benefits	<u>\$ 109,749.60</u>	<u>\$ 66,873.22</u>	<u>\$ 176,622.82</u>	<u>\$ 174,341.82</u>
<u>Administrative</u>				
Telephone	\$ 6,563.21	\$ 1,995.57	\$ 8,558.78	\$ 7,906.30
Office Supplies	8,548.20	1,289.81	9,838.01	12,937.97
Miscellaneous	2,760.69	2,431.61	5,192.30	8,978.42
NSF Checks	1,418.64	605.55	2,024.19	1,989.88
Dues	1,514.58	1,656.40	3,170.98	5,923.92
Training	1,310.80	495.00	1,805.80	315.00
Accounting Service	2,800.00	37,899.96	40,699.96	27,347.00
Audit Fees	7,000.00	7,000.00	14,000.00	14,000.00
Consulting	12,183.00	1,204.18	13,387.18	.00
Total Administrative	<u>\$ 44,099.12</u>	<u>\$ 54,578.08</u>	<u>\$ 98,677.20</u>	<u>\$ 79,398.49</u>
<u>TOTAL OPERATING EXPENDITURES</u>	<u>\$ 556,203.46</u>	<u>\$ 231,918.58</u>	<u>\$ 788,122.04</u>	<u>\$ 754,222.99</u>
<u>OPERATING INCOME (LOSS)</u>	<u>\$ (9,982.68)</u>	<u>\$ (47,370.03)</u>	<u>\$ (57,352.71)</u>	<u>\$ (2,587.02)</u>

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

EXHIBIT F  
CONTINUED

	<u>BUSINESS - TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>ENTERPRISE FUND</u>			
	<u>WATER &amp; SEWER</u>	<u>GAS</u>	<u>2011</u>	<u>2010</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest Income	\$ 325.87	\$ .00	\$ 325.87	\$ 637.51
Grants	25,000.00	.00	25,000.00	.00
Miscellaneous Income	25,511.50	.00	25,511.50	31,604.08
Interest Expense/Bond Payments	(92,483.32)	(11,979.09)	(104,462.41)	(131,805.02)
Other	.00	.00	.00	.03
Total Non-Operating Revenues (Expenses)	<u>\$ (41,645.95)</u>	<u>\$ (11,979.09)</u>	<u>\$ (53,625.04)</u>	<u>\$ (99,563.40)</u>
<u>CHANGE IN NET ASSETS</u>	\$ (51,628.63)	\$ (59,349.12)	\$ (110,977.75)	\$ (102,150.42)
<u>NET ASSETS - Beginning of Year</u>	<u>1,531,859.45</u>	<u>321,682.93</u>	<u>1,853,542.38</u>	<u>1,955,692.80</u>
<u>NET ASSETS - End of Year</u>	<u>\$ 1,480,230.82</u>	<u>\$ 262,333.81</u>	<u>\$ 1,742,564.63</u>	<u>\$ 1,853,542.38</u>

The notes are an integral part of these statements. See accompanying notes and auditor's report.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
STATEMENTS OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

EXHIBIT G

	<u>BUSINESS - TYPE ACTIVITIES</u>	
	<u>ENTERPRISE FUND</u>	
	<u>TOTAL</u>	
	<u>2011</u>	<u>2010</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Receipts from Customers	\$ 729,345.12	\$ 750,965.17
Payments to Suppliers	(434,518.75)	(469,327.76)
Payments to Employees and Employee Benefits	(176,622.82)	(174,341.82)
Net Cash Provided by Operating Activities	<u>\$ 118,203.55</u>	<u>\$ 107,295.59</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>		
Customer Deposits	\$ 5,117.21	\$ 5,171.11
Due To/From Other Funds	156,309.86	24,636.74
Net Cash Provided by Noncapital Financing Activities	<u>\$ 161,427.07</u>	<u>\$ 29,807.85</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Purchase of Capital Assets	\$ (152,528.34)	\$ (40,739.00)
Payment on Long-Term Debt	(123,249.37)	(110,598.91)
Other Income	50,511.50	31,604.08
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ (225,266.21)</u>	<u>\$ (119,733.83)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Interest Earned on Investments	\$ 325.87	\$ 637.51
Interest Expense	(106,803.96)	(131,805.02)
Net Cash Provided (Used) by Investing Activities	<u>\$ (106,478.09)</u>	<u>\$ (131,167.51)</u>
<b><u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u></b>	\$ (52,113.68)	\$ (113,797.90)
<b><u>CASH AND CASH EQUIVALENTS - JULY 1</u></b>	<u>226,617.78</u>	<u>340,415.68</u>
<b><u>CASH AND CASH EQUIVALENTS - JUNE 30</u></b>	<u>\$ 174,504.10</u>	<u>\$ 226,617.78</u>
<b><u>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS</u></b>		
Cash and Cash Equivalents	\$ 18,324.64	\$ 30,657.44
Restricted Cash		
Customers Meter Deposits	97,637.91	105,033.18
Bond Reserve Funds	58,541.55	90,927.16
Total Cash and Cash Equivalents	<u>\$ 174,504.10</u>	<u>\$ 226,617.78</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Operating Income (Loss)	\$ (57,352.71)	\$ (2,587.02)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	155,085.88	151,349.81
Changes in Assets and Liabilities		
(Increase) Decrease in Customer Deposits	(1,476.83)	.00
(Increase) Decrease in Accounts Receivable	(1,424.21)	(670.80)



TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
STATEMENTS OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

EXHIBIT G  
CONTINUED

	<u>BUSINESS - TYPE ACTIVITIES</u>	
	<u>ENTERPRISE FUND</u>	
	<u>TOTAL</u>	
	<u>2011</u>	<u>2010</u>
Changes in Assets and Liabilities		
(Increase) Decrease in Prepaid Insurance	\$ 2,920.00	\$ (3,173.00)
Increase (Decrease) in Accounts Payable	22,792.97	(44,130.72)
Increase (Decrease) in Accrued Liabilities	(2,341.55)	6,507.32
<u>NET CASH PROVIDED (USED) BY OPERATING ACCOUNTS</u>	<u>\$ 118,203.55</u>	<u>\$ 107,295.59</u>
 <u>SCHEDULE OF NONCASH, NO CAPITAL FINANCING, CAPITAL AND RELATED FINANCING, AND INVESTING ACTIVITIES</u>		
	<u>\$ .00</u>	<u>\$ .00</u>

The notes are an integral part of these statements. See accompanying independent auditors' report.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
INDEX TO NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

<u>Note No.</u>	<u>Description</u>	<u>Page No.</u>
1.	Summary of Significant Accounting Policies	13 - 19
2.	Ad Valorem Taxes	20
3.	Sales and Use Tax	20
4.	Cash and Interest-Bearing Deposits	21
5.	Receivables	21
6.	Due from Other Governmental Units	21
7.	Fixed Assets	22 - 24
8.	Notes Receivables	24
9.	Restricted Assets	24 - 25
10.	Changes in Long-Term Debt	25 - 28
11.	Accounts and Other Payables	28
12.	Flow of Funds: Restrictions on Use - Water and Sewer and Gas System Revenues	28
13.	Employee Retirement	29 - 30
14.	Risk Management	30
15.	Compensation of Town Officials	30
16.	Interfund Receivables/Payables	31
17.	Contract Agreements	31
18.	Concentrations of Credit Risk	31
19.	Litigation and Claims/Contingent Liability	31 - 32
20.	Mineral Lease	32
21.	Economic Dependency	32
22.	Related Party Transactions	32
23.	Deficit Fund Balances	32
24.	Legal Compliance - Budget	33 - 34
25.	Statement of Cash Flows for Proprietary Funds	34

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

INTRODUCTION

The Town of Glenmora was incorporated in 1914 under the provisions of the Lawrason Act. The Town operates under the Mayor - Board of Alderman form of government. The Town's major operations include water and gas, sewer, public safety, fire protection, recreation and parks, and general administrative services.

The council consist of five members who are elected for a four year term. See note number fifteen for a detail of compensation for the mayor and council.

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Town of Glenmora, Louisiana conforms to generally accepted accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless the pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The following is a summary of certain significant accounting policies.

GASB Statement No. 14 - The reporting entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the municipality is considered a primary government, since, it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The municipality has oversight of other component units that are either blended into the municipalities basic financial statements or discretely presented in a separate column in the government-wide financial statements.

Blended Component Units - The Town of Glenmora did not have any blended component units.

Discretely Presented Component Units - The Town of Glenmora did not have any Discretely Presented Component Units.

Government-Wide and Fund Financial Statements - In accordance with Government Accounting Standards Board Statement No. 34, the Town has presented a Statement of Net Assets and Statement of Activities for the Town as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity. Part of the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree, to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program Revenues include, charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and grants and contributions that are restricted to use, the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Eliminating Internal Activity - Interfund receivables and payables are eliminated in the Statements of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function are eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they are allocated.

Application of FASB Statements and Interpretations - Reporting on governmental-type and business-type activities are based on FASB Statements and the Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalized Assets - Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net assets.

Under the requirements of GASB Statement No. 34, the Town is considered a Phase 3 government as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The Town has opted not to retroactively report these type of capital assets.

Program Revenues - The Statement of Activities presents three categories of program revenues - (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Town. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for specific use.

Indirect Expenses - Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Town has chosen not to do so.

Operating Revenues - Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Town's operation of providing water and sewer services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>REVENUE SOURCE</u>	<u>LEGAL RESTRICTIONS OF USE</u>
Sales Tax	See Note 3
Gas, Water and Sewer Revenue	Debt Service and Utility Operations

The Town uses unrestricted resources only when restricted resources are fully depleted.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Budget and Budgetary Accounting

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

1. The Town Clerk prepares a proposed budget and submits it 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, the date of the public hearing is published.
3. After 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.
4. All budgetary appropriations lapse at the end of the fiscal year.
5. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations. Budgetary control is exercised at the fund level.

The original budget was adopted in June 2010 and is reflected in the budget comparison statement. The amended budget was adopted on October 17, 2011.

Capitalization of Interest Expense

It is the policy of the Town of Glenmora to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets in the Proprietary Funds. At June 30, 2011, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

Use of Estimates

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

Fund Accounting - The Town uses funds 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 entity with a self-balancing set of accounts. Funds of the Town are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds - Governmental funds 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 obligations. Governmental funds include:

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1. General Fund - is the general operating fund of the Town and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Town had one special revenue fund as follows:
  - a. The Fire Department Fund is a special revenue fund that receives a 1/2% sales and use tax. These taxes are dedicated and used for the purpose of operating the fire department and debt service associated with the fire department.

Proprietary Funds - Proprietary funds 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:

1. Enterprise Funds - account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Town applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise funds. The Town's enterprise fund are the Water and Sewer Utility and the Gas Utility Fund.

Net Assets Fund Balances - In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components on net assets is as follows:

Invested in Capital Assets, Net of Related Debt - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets - Net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets - This category represents net assets not appropriate for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved - These resources are segregated because their use is earmarked for a specific use.

Unreserved - This category represents that portion of equity not appropriate for expenditures or legally segregated for a specific future use.

Basis of Accounting/Measurement Focus - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All government funds, including General, Special Revenue, Debt Service, and Capital Projects 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 in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

The government-wide statements of net assets and statements of activities, all proprietary funds, and other funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the balance sheet or on the statement of fiduciary net assets. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The fund financial statements of the General, Special Revenues, Capital Projects, Debt Service and agency funds are maintained and reported on the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property tax revenue and other local taxes, the term "available" is limited to collection within sixty days of the fiscal year-end. Levies made prior to the fiscal year-end but which are not available are deferred. Interest income is recorded as earned. Federal and State reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

The statements of net assets, statements of activities, financial statements of the Proprietary Funds and Fiduciary Funds (except for agency funds) are presented on the accrual basis of accounting. Under this method of accounting, revenues, are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

Cash and Cash Equivalents - Cash includes amounts in demand deposits, interest bearing demand deposits and certificates of deposits. 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 and national banks having their principal offices in Louisiana.

Investments - Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the Town are certificates of deposits or saving accounts and their fair value is determined by the face value of the certificate.

Restricted Assets - Certain proceeds of enterprise funds are classified as restricted assets on the balance sheet because their use is limited. Components of these assets are as follows:

These assets consist of cash restricted for the Meter Deposits.

Customers' Deposits on Meters	<u>2011</u>	<u>2010</u>
Cash	<u>\$ 97,637.91</u>	<u>\$ 105,033.18</u>

The liability for customer's deposits on meters is \$80,629.66 at June 30, 2011 and \$79,152.83 at June 30, 2010. The Town has over funded the restricted assets by \$17,008.25 at June 30, 2011 and \$25,880.35 at June 30, 2010.

Inventories - Inventories were written off due to immateriality. Minimum amounts of inventory are not maintained or counted. Most supplies are ordered when needed.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and Improvements	20 - 40 Years	Utility System and Improvements	20 - 50 Years
Machinery and Equipment	10 Years	Infrastructure	20 Years
Vehicles	3 - 5 Years		

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Long-Term Debt

The accounting treatment of long-term debt depends upon whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of water and sewer revenue bonds payable, public improvement bonds payable, certificates of indebtedness payable, gas revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund financial statements as it is in the government-wide statements.

Compensated Absences

Employees of the Town may earn up to ten days of vacation time depending upon the type and length of service. Hourly employees may earn up to five days of sick leave per year. All other employees take sick leave on an as needed basis; however, they do not accrue any sick leave. All vacation and sick leave accrues on a calendar year basis with all unused sick leave being paid to the hourly employees in December. For fund financial statements, vested or accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current fund liability of the governmental fund that will pay it. In the government-wide statements, amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt. The Town's liability for unused compensated absences was considered to be immaterial at June 30, 2011 and 2010 and is therefore excluded from these financial statements.



TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested" in capital assets, net of related debt."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

Revenues, Expenditures and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing or investing activities.

Expenditures/Expense

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

- Governmental Funds - By Character
- Proprietary Fund - By Operating and Nonoperating

In the fund financial statement, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 2 - AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Tax notices are usually mailed during November each year and become delinquent after December 31 of the year. The Town bills and collects its own property taxes using the assessed values determined by the Rapides Parish Tax Assessor.

For the years ended June 30, 2011 and 2010, taxes were levied on property with assessed valuations totaling \$ for 2011 and \$3,254,656 for 2010 and were dedicated as follows:

	<u>MILLS</u>		<u>ASSESSED RECEIVABLE</u> <u>ADVALOREM TAXES</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assessed Value of Property				
General Fund	<u>5.20</u>	<u>5.20</u>	\$ -	\$ 16,794.30
Collected Ad Valorem Taxes			\$ 16,373.58	\$ 19,281.18
Less: Allowance for Bad Debts			.00	.00
Receivables			<u>58.75</u>	<u>.00</u>
Total			<u>\$ 16,432.33</u>	<u>\$ 19,281.18</u>

A recap of large assessments is as follows:

	<u>2011</u>	<u>2010</u>
Sabine Bank	\$ 731.30	\$ 105.63
Centurytel	1,193.61	956.99
Cleco	1,635.00	1,581.23
W. E. McDonald	875.87	1,242.26

Property taxes collected included penalties and interest received.

NOTE # 3 - SALES AND USE TAX

The Town collects sales tax under four sales tax levies as follows.

The first levy is 7.3% allocation of 1% sales tax administered by Rapides Parish. The tax is available for the Town's use for any lawful corporate purpose. The tax was approved for an indefinite period of time.

The second is a city tax of 1% to be used for any public purpose authorized by state law.

The third sales tax levy is a 1/2% tax for the purpose of construction, improvement and maintenance and repairs of roads and bridges.

The fourth levy is a 1/2% tax for the purpose of operating the fire department and debt service associated with the fire department.

All four sales tax levies are collected by the Rapides Parish Sales and Use Tax Department and are remitted on a monthly basis.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 4 - CASH AND INTEREST-BEARING DEPOSITS

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge 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 bank. 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. Deposit balances (bank balances) at June 30, 2011 and 2010 were secured as follows:

	2011		2010	
	<u>PER BANK</u>	<u>PER BOOKS</u>	<u>PER BANK</u>	<u>PER BOOKS</u>
Bank Balances	\$ 396,735.64	\$ 387,327.73	\$ 542,717.08	\$ 489,119.08
Federal Deposit Insurance	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00
Pledge Securities	538,503.91	538,503.91	653,792.86	653,792.86
Total FDIC Insurance & Pledge Securities	<u>\$ 788,503.91</u>	<u>\$ 788,503.91</u>	<u>\$ 903,792.86</u>	<u>\$ 903,792.86</u>

As of June 30, 2011 and 2010, the Town's total bank balances were fully insured and collateralized with securities held in the name of the Town by the pledging financial institution's agent and therefore, not exposed to custodial credit risk.

NOTE # 5 - RECEIVABLES

Receivables at June 30, 2011 of \$182,335.89 and \$145,847.75 at June 30, 2010 consisted of the following.

	BUSINESS -		TOTALS	
	GOVERNMENTAL	TYPE		
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	<u>2011</u>	<u>2010</u>
Accounts	\$ .00	\$ 107,510.33	\$ 107,510.33	\$ 92,268.32
Less Bad Debts	.00	(45,747.71)	(45,747.71)	(31,929.91)
Net Receivables	\$ .00	\$ 61,762.62	\$ 61,762.62	\$ 60,338.41
Notes - Net	30,433.81	.00	30,433.81	37,554.18
Taxes				
Sales Taxes	71,419.84	.00	71,419.84	27,592.99
Franchise Taxes	13,473.24	.00	13,473.24	11,713.34
Ad Valorem	58.75	.00	58.75	.00
LaMats	6,611.84	.00	6,611.84	8,648.83
Total	<u>\$ 121,997.48</u>	<u>\$ 61,762.62</u>	<u>\$ 183,760.10</u>	<u>\$ 145,847.75</u>

NOTE # 6 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units of \$71,419.87 and \$27,592.99 at June 30, 2011 and 2010 consisted of the following:

	2011	2010
General Fund	\$ 62,120.22	\$ .00
Fire Department Fund:		
Amount Due from the Rapides Parish Police Jury - Sales Tax	9,299.65	27,592.99
Total	<u>\$ 71,419.87</u>	<u>\$ 27,592.99</u>

**TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

**NOTE # 7 - FIXED ASSETS**

Capital asset activity for the year ended June 30, 2011 was as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BALANCE 07/01/10</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 06/30/11</u>
<b>Capital Assets</b>				
Land	\$ 71,135.69	\$ .00	\$ .00	\$ 71,135.69
Buildings	1,205,344.06	.00	.00	1,205,344.06
Infrastructure	453,391.50	.00	.00	453,391.50
Equipment Furniture & Fixtures	280,192.53	69,135.54	.00	349,328.07
Vehicles	399,912.93	54,670.00	(326,227.77)	128,355.16
<b>Totals</b>	<u>\$ 2,409,976.71</u>	<u>\$ 123,805.54</u>	<u>\$ (326,227.77)</u>	<u>\$ 2,207,554.48</u>
<b>Less: Accumulated Depreciation</b>				
Buildings	\$ 225,656.97	\$ 31,984.44	\$ .00	\$ 257,641.41
Infrastructure	104,167.11	13,683.36	.00	117,850.47
Equipment, Furniture and Fixtures	245,684.02	12,276.19	.00	257,960.21
Vehicles	380,340.80	11,336.94	(326,227.77)	65,449.97
<b>Total Accumulated Depreciation</b>	<u>\$ 955,848.90</u>	<u>\$ 69,280.93</u>	<u>\$ (326,227.77)</u>	<u>\$ 698,902.06</u>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS NET</b>	<u>\$ 1,454,127.81</u>	<u>\$ 61,683.81</u>	<u>\$ .00</u>	<u>\$ 1,508,652.42</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>Gas System Utility Distribution System</b>				
Distribution System	\$ 1,075,352.93	\$ .00	\$ .00	\$ 1,075,352.93
Gas Lines	158,438.60	.00	.00	158,438.60
Meters and Regulators	4,716.76	.00	.00	4,716.76
Utility Relocation	129,705.65	.00	.00	129,705.65
Equipment	20,897.06	178.07	(5,078.75)	15,996.38
<b>Totals</b>	<u>\$ 1,389,111.00</u>	<u>\$ 178.07</u>	<u>\$ (5,078.75)</u>	<u>\$ 1,384,210.32</u>
<b>Less Accumulated Depreciation</b>				
Distribution System	\$ 611,184.66	\$ 24,101.17	\$ .00	\$ 635,285.83
Gas Lines	116,541.88	2,627.92	.00	119,169.80
Meters and Regulators	4,020.76	24.07	.00	4,044.83
Utility Relocation	22,049.95	.00	.00	22,049.95
Equipment	16,925.19	1,223.65	(5,078.75)	13,070.09
<b>Total Accumulated Depreciation</b>	<u>\$ 770,722.44</u>	<u>\$ 27,976.81</u>	<u>\$ (5,078.75)</u>	<u>\$ 793,620.50</u>
<b>Total Gas System Utility Distribution System</b>	<u>\$ 618,388.56</u>	<u>\$ (27,798.74)</u>	<u>\$ .00</u>	<u>\$ 590,589.82</u>
<b>Water &amp; Sewer Utilities</b>				
Distribution System	\$ 1,517,587.32	\$ .00	\$ .00	\$ 1,517,587.32
Water Tank and Wells	349,072.43	110,793.00	.00	459,865.43
Sewer Systems	3,258,660.54	.00	.00	3,258,660.54
Utility Relocation	575,993.01	.00	.00	575,993.01
Equipment	224,261.94	41,735.34	(5,078.75)	260,918.53
<b>Totals</b>	<u>\$ 5,925,575.24</u>	<u>\$ 152,528.34</u>	<u>\$ (5,078.75)</u>	<u>\$ 6,073,024.83</u>
<b>Less Accumulated Depreciation</b>				
Distribution System	\$ 339,851.59	\$ .00	\$ .00	\$ 339,851.59
Water Tank and Wells	228,300.78	40,046.47	.00	268,347.25
Sewer System	1,247,538.63	76,645.12	.00	1,324,183.75
Utility Relocation	69,341.70	.00	.00	69,341.70
Equipment	147,825.12	10,417.55	(5,078.75)	153,163.92
<b>Total Accumulated Depreciation</b>	<u>\$ 2,032,857.82</u>	<u>\$ 127,109.14</u>	<u>\$ (5,078.75)</u>	<u>\$ 2,154,888.21</u>
<b>Total Water and Sewer Utility</b>	<u>\$ 3,892,717.42</u>	<u>\$ 25,419.20</u>	<u>\$ .00</u>	<u>\$ 3,918,136.62</u>
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET</b>	<u>\$ 4,511,105.98</u>	<u>\$ (2,379.54)</u>	<u>\$ .00</u>	<u>\$ 4,508,726.44</u>

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 7 - FIXED ASSETS CONTINUED

Capital asset activity for the year ended June 30, 2010 was as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BALANCE</u> <u>07/01/09</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>06/30/10</u>
<b>Capital Assets</b>				
Land	\$ 71,135.69	\$ .00	\$ .00	\$ 71,135.69
Buildings	1,205,344.06	.00	.00	1,205,344.06
Infrastructure	453,391.50	.00	.00	453,391.50
Equipment Furniture & Fixtures	273,083.33	7,109.20	.00	280,192.53
Vehicles	389,512.93	10,400.00	.00	399,912.93
Totals	<u>\$ 2,392,467.51</u>	<u>\$ 17,509.20</u>	<u>\$ .00</u>	<u>\$ 2,409,976.71</u>
<b>Less: Accumulated Depreciation</b>				
Buildings	\$ 193,672.56	\$ 31,984.41	\$ .00	\$ 225,656.97
Infrastructure	90,483.75	13,683.36	.00	104,167.11
Equipment, Furniture and Fixtures	230,345.40	15,338.62	.00	245,684.02
Vehicles	377,053.20	3,287.60	.00	380,340.80
Total Accumulated Depreciation	<u>\$ 891,554.91</u>	<u>\$ 64,293.99</u>	<u>\$ .00</u>	<u>\$ 955,848.90</u>
<b><u>GOVERNMENTAL ACTIVITIES</u></b>				
<b><u>CAPITAL ASSETS NET</u></b>	<u>\$ 1,500,912.60</u>	<u>\$ (46,784.79)</u>	<u>\$ .00</u>	<u>\$ 1,454,127.81</u>
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>				
<b>Gas System Utility Distribution System</b>				
Distribution System	\$ 1,075,352.93	\$ .00	\$ .00	\$ 1,075,352.93
Gas Lines	158,438.67	.00	.00	158,438.67
Meters and Regulators	4,716.76	.00	.00	4,716.76
Utility Relocation	129,705.65	.00	.00	129,705.65
Equipment	20,897.06	.00	.00	20,897.06
Totals	<u>\$ 1,389,111.07</u>	<u>\$ .00</u>	<u>\$ .00</u>	<u>\$ 1,389,111.07</u>
<b>Less Accumulated Depreciation</b>				
Distribution System	\$ 589,677.60	\$ 21,507.06	\$ .00	\$ 611,184.66
Gas Lines	113,913.96	2,627.99	.00	116,541.95
Meters and Regulators	3,996.76	24.00	.00	4,020.76
Utility Relocation	19,455.84	2,594.11	.00	22,049.95
Equipment	15,564.17	1,361.02	.00	16,925.19
Total Accumulated Depreciation	<u>\$ 742,608.33</u>	<u>\$ 28,114.18</u>	<u>\$ .00</u>	<u>\$ 770,722.51</u>
<b>Total Gas System Utility Distribution System</b>	<u>\$ 646,502.74</u>	<u>\$ (28,114.18)</u>	<u>\$ .00</u>	<u>\$ 618,388.56</u>
<b>Water &amp; Sewer Utilities</b>				
Distribution System	\$ 1,516,054.52	\$ 1,532.80	\$ .00	\$ 1,517,587.32
Water Tank and Wells	347,605.43	1,467.00	.00	349,072.43
Sewer Systems	3,258,660.54	.00	.00	3,258,660.54
Utility Relocation	575,993.01	.00	.00	575,993.01
Equipment	186,522.74	37,739.20	.00	224,261.94
Totals	<u>\$ 5,884,836.24</u>	<u>\$ 40,739.00</u>	<u>\$ .00</u>	<u>\$ 5,925,575.24</u>
<b>Less Accumulated Depreciation</b>				
Distribution System	\$ 306,174.38	\$ 33,677.21	\$ .00	\$ 339,851.59
Water Tank and Wells	219,307.58	8,993.20	.00	228,300.78
Sewer System	1,182,413.37	65,125.26	.00	1,247,538.63
Utility Relocation	57,821.84	11,519.86	.00	69,341.70
Equipment	143,905.02	3,920.10	.00	147,825.12
Total Accumulated Depreciation	<u>\$ 1,909,622.19</u>	<u>\$ 123,235.63</u>	<u>\$ .00</u>	<u>\$ 2,032,857.82</u>
<b>Total Water and Sewer Utility</b>	<u>\$ 3,975,214.05</u>	<u>\$ (82,496.63)</u>	<u>\$ .00</u>	<u>\$ 3,892,717.42</u>
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>				
<b><u>CAPITAL ASSETS, NET</u></b>	<u>\$ 4,621,716.79</u>	<u>\$ (110,610.81)</u>	<u>\$ .00</u>	<u>\$ 4,511,105.98</u>

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 7 - FIXED ASSETS CONTINUED

Depreciation expense was charge to governmental activities as follows:

	<u>2011</u>	<u>2010</u>
General Government	\$ 35,174.59	\$ 36,266.80
Public Safety		
Police	12,475.17	5,141.83
Fire	2,090.44	2,206.44
Streets	17,652.95	17,283.43
Culture and Recreation	<u>1,887.78</u>	<u>3,395.49</u>
Total Depreciation Expense	<u>\$ 69,280.93</u>	<u>\$ 64,293.99</u>

Depreciation expense was charged to business-type activities as follows:

	<u>2011</u>	<u>2010</u>
Gas Utility	\$ 27,976.74	\$ 28,114.18
Water and Sewer	<u>127,109.14</u>	<u>123,235.63</u>
Total Depreciation Expense	<u>\$ 155,085.88</u>	<u>\$ 151,349.81</u>

NOTE # 8 - NOTES RECEIVABLE

Funds received from the Louisiana Department of Urban and Community Affairs under the Community Development Block Grant Program are being used by a Special Revenue Fund (Economic Development). Loans are made to businesses to enhance economic development in the town. As the loans are repaid, the monies are deposited into the Special Revenue Fund (Economic Development) with future use being restricted to economic development.

On February 28, 2008, the terms of these delinquent loans were renegotiated. The new terms allow for foreclosure if the loans become sixty days past due.

	<u>2011</u>	<u>2010</u>
Reggie's Restaurant	\$ 40,621.74	\$ 44,071.29
\$56,715 @ 240 payments of \$407 per month including interest at 6% (New amount is \$500 per month for 36 months then balance at \$407 per month)		
Glenmora Tailor Shop	42,947.16	46,617.98
\$62,241 @ 228 payments of \$449 per month including interest at 5.75% (New amount is \$623.48 for 120 months and balance would be at \$449 per month)		
Deduct: Allowance for Bad Debts	<u>(53,135.09)</u>	<u>(53,135.09)</u>
Total	<u>\$ 30,433.81</u>	<u>\$ 37,554.18</u>

NOTE # 9 - RESTRICTED ASSETS

Restricted assets in the water and sewer and gas utility funds consisted of the following at June 30, 2011 and 2010.

	<u>WATER AND SEWER</u>	<u>GAS</u>	<u>2011</u>	<u>2010</u>
Customer Meter Deposits	\$ 72,639.61	\$ 24,998.30	<u>\$ 97,637.91</u>	<u>\$ 105,033.18</u>

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 9 - RESTRICTED ASSETS CONTINUED

	<u>WATER AND SEWER</u>	<u>GAS</u>	<u>2011</u>	<u>2010</u>
Bond Funds				
Bond and Interest Sinking Fund	\$ 1,087.32	\$ 3,628.01	\$ 4,715.33	\$ 31,164.02
Bond Reserve Fund	22,026.79	6,509.69	28,536.48	27,057.25
Depreciation and Contingency Fund	17,552.14	7,737.60	25,289.74	32,705.89
Total Bond Funds	<u>\$ 40,666.25</u>	<u>\$ 17,875.30</u>	<u>\$ 58,541.55</u>	<u>\$ 90,927.16</u>
Totals	<u>\$ 113,305.86</u>	<u>\$ 42,873.60</u>	<u>\$ 156,179.46</u>	<u>\$ 195,960.34</u>

Restricted assets in the Governmental Funds are as follows:

	<u>2011</u>	<u>2010</u>
Sewer District Sinking Fund	\$ 2,656.71	\$ 2,650.09
Fire Sinking Fund	3,891.18	8,139.88
Totals	<u>\$ 6,547.89</u>	<u>\$ 10,789.97</u>

NOTE # 10 - CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2011 and 2010.

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>LEASE PURCHASE</u>	<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>
	<u>GENERAL OBLIGATION</u>	<u>CERTIFICATES OF INDEBTEDNESS</u>		<u>REVENUE</u>	<u>NOTES</u>	
Long-term debt, July 1, 2009	\$ 16,000.00	\$ 152,000.00	\$ .00	\$ 2,981,802.00	\$ 5,421.23	\$ 3,155,223.23
Additions	.00	.00	.00	.00	.00	.00
Payments	(10,000.00)	(22,000.00)	\$ .00	(110,598.92)	(5,421.23)	(148,020.15)
Long-term debt, June 30, 2010	\$ 6,000.00	\$ 130,000.00	\$ .00	\$ 2,871,203.08	\$ .00	\$ 3,007,203.08
Additions	.00	.00	47,940.16	.00	.00	47,940.16
Deductions	(2,000.00)	(23,000.00)	\$ (10,864.00)	(125,016.85)	.00	(159,113.37)
Long-Term Debt June 30, 2011	<u>\$ 4,000.00</u>	<u>\$ 107,000.00</u>	<u>\$ 37,076.16</u>	<u>\$ 2,746,186.23</u>	<u>\$ .00</u>	<u>\$ 2,896,029.87</u>

Long-term debt payable at June 30, 2011 and 2010 is comprised of the following issues:

LONG-TERM DEBT

		<u>DUE WITHIN</u>	<u>BALANCE</u>	
		<u>ONE YEAR</u>	<u>06/30/11</u>	<u>06/30/10</u>
<u>Lease Obligations</u>				
Lease Purchase, 2010 Dodge Charger Police Car # 303543	\$	5,370.77	\$ 18,538.08	\$ .00
Lease Purchase, 2010 Dodge Charger Police Car # 303546		5,370.77	18,538.08	.00

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 10 - CHANGES IN LONG-TERM DEBT CONTINUED

LONG-TERM DEBT

	<u>DUE WITHIN</u>	<u>BALANCE</u>	
	<u>ONE YEAR</u>	<u>06/30/11</u>	<u>06/30/10</u>
<u>General Obligation Bond</u>			
\$112,000 Public Improvement Bonds, Series 1973, due in annual installments of \$4,000 through January 1, 2013; interest at 5.00%; payable from ad valorem tax revenues	\$ 2,000.00	\$ 4,000.00	\$ 6,000.00
<u>Fire Department Bonds</u>			
\$300,000 Certificates of Indebtedness, Series 2000 due in annual installments of \$13,000 - \$29,000 through March 1, 2015; interest at 6.25%; secured by sales tax revenues	\$ 24,000.00	\$ 107,000.00	\$ 130,000.00
<u>Water, Sewer and Gas Bonds and Notes</u>			
\$816,000 Water and Sewer Revenue Bonds Payable, issued May 2, 1973, due in annual installments of \$51,722 and \$9,570; interest at 5.00% secured by water and sewer utility revenues	46,298.58	66,747.93	114,572.23
Water 91-04 - Interest at 5.00%	1,012.91	8,541.77	9,441.77
Water Delinquent Portion - Interest at 4.125%	946.73	51,868.24	52,856.71
\$1,136,000 Sewer Expansion Bonds Payable, issued October 10, 2001, due in annual installments of \$61,764; interest at 4.125%; secured by sewer utility revenues	20,282.75	1,056,926.01	1,074,495.41
\$1,312,000 Water Expansion Bonds Payable issued December 19, 2001, due in annual installments of \$74,760; interest at 4.125%; secured by water utility revenues	22,412.71	1,277,141.25	1,300,548.51
\$1,110,000 Gas Utility Revenue Bonds Payable, issued October 6, 1980, due in annual installments of \$42,600 through 2020; interest at 4.125% secured by gas utility revenues.	31,341.33	286,728.51	319,288.45
	<u>\$ 159,036.55</u>	<u>\$ 2,896,029.87</u>	<u>\$ 3,007,203.08</u>

Outstanding Bonds and notes as of June 30, 2011 and 2010 are as follows:

<u>PURPOSE</u>	<u>INTEREST RATE</u>	<u>2011</u>	<u>2010</u>
Total Water, Sewer and Gas Bonds and Notes	4.125% - 5.000%	\$ 2,747,953.71	\$ 2,871,203.08
Fire Department Bonds	6.040%	107,000.00	130,000.00
General Obligation Bonds	5.000%	4,000.00	6,000.00
Lease Obligations	5.265%	37,076.16	.00
		<u>\$ 2,896,029.87</u>	<u>\$ 3,007,203.08</u>



TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 10 - CHANGES IN LONG-TERM DEBT CONTINUED

Revenue Bonds Debt Service requirements are listed below:

PRINCIPAL AMOUNTS

<u>YEAR</u>	<u>WATER SEWER &amp; GAS BONDS</u>	<u>LEASE OBLIGATION</u>	<u>FIRE DEPARTMENT BONDS</u>	<u>GENERAL OBLIGATION BONDS</u>
2012	\$ 122,295.01	\$ 10,741.54	\$ 24,000.00	\$ 2,000.00
2013	97,989.72	11,320.90	26,000.00	2,000.00
2014	80,808.57	12,963.43	28,000.00	.00
2015	84,214.55	2,050.29	29,000.00	.00
2016	87,764.17	.00	.00	.00
	<u>\$ 473,072.02</u>	<u>\$ 37,076.16</u>	<u>\$ 107,000.00</u>	<u>\$ 4,000.00</u>
2017 - 2021	399,987.31	.00	.00	.00
2022 - 2026	345,053.65	.00	.00	.00
2027 - 2031	423,941.92	.00	.00	.00
2032 - 2036	520,865.81	.00	.00	.00
2037 - 2041	585,033.00	.00	.00	.00
Total Principal Payments	<u>\$ 2,747,953.71</u>	<u>\$ 37,076.16</u>	<u>\$ 107,000.00</u>	<u>\$ 4,000.00</u>

PRINCIPAL AND INTEREST

<u>YEAR</u>	<u>WATER SEWER &amp; GAS BONDS</u>	<u>LEASE OBLIGATION</u>	<u>FIRE DEPARTMENT BONDS</u>	<u>GENERAL OBLIGATION BONDS</u>
2012	\$ 231,936.00	12,436.80	30,687.50	2,201.00
2013	204,346.54	12,436.80	31,187.00	2,202.00
2014	183,636.00	12,436.80	31,562.50	.00
2015	183,636.00	3,109.20	30,812.50	.00
2016	183,639.00	.00	.00	.00
	<u>\$ 987,193.54</u>	<u>\$ 40,419.60</u>	<u>\$ 124,249.50</u>	<u>\$ 4,403.00</u>
2017 - 2021	824,627.78	.00	.00	.00
2022 - 2026	697,980.00	.00	.00	.00
2027 - 2031	697,980.00	.00	.00	.00
2032 - 2036	697,980.00	.00	.00	.00
2036 - 2041	640,608.17	.00	.00	.00
Total Principal & Interest Payments	<u>\$ 4,546,369.49</u>	<u>\$ 40,419.60</u>	<u>\$ 124,249.50</u>	<u>\$ 4,403.00</u>

A detail of the Bond Funds are as follows:

	<u>DEPRECIATION AND CONTINGENCY</u>			<u>TOTALS</u>	
	<u>FUND</u>	<u>SINKING FUND</u>	<u>RESERVE FUND</u>	<u>2011</u>	<u>2010</u>
Utilities Fund	\$ 17,552.14	\$ 22,026.79	\$ 1,087.32	\$ 40,666.25	\$ 73,472.87
Gas Fund	7,737.60	6,509.69	3,628.01	17,875.30	17,454.26
Gas Sinking Fund	.00	2,656.71	.00	2,656.71	8,139.88
Fire Sinking Fund	.00	3,891.18	.00	3,891.18	.00
Totals	<u>\$ 25,289.74</u>	<u>\$ 35,084.37</u>	<u>\$ 4,715.33</u>	<u>\$ 65,089.44</u>	<u>\$ 99,067.01</u>

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

**NOTE # 10 - CHANGES IN LONG-TERM DEBT CONTINUED**

There are a number of limitations and restrictions contained in the various bond indentures. During the fiscal year, prior to restructuring the debt due to nonpayment, the Town was in default on its revenue bonds and had not complied with significant limitations and restrictions as follows:

1. The Town is required to make payments into various restricted asset accounts as described in Note 8. During the year ended June 30, 2007 the Town failed to make all required payments into the Water and Sewer Utility depreciation and contingency, sinking and reserve accounts and into the Gas depreciation and contingency, sinking and reserve accounts.
2. The Town was past due on the following revenue bonds prior to restructuring: (1) 2001 Water Expansion Bond, (2) 2001 Sewer Expansion Bond, (3) 1973 Water and Sewer Bonds, and (4) Gas Revenue Bond.

In May 2007, the Town received approval from the State Bond Commission to restructure the delinquent portion of the outstanding Revenue Bond dated January 1, 1972, to restructure the outstanding principal balance of the outstanding Gas Utility Revenue Bond dated October 6, 1980, to restructure the outstanding principal balance of the outstanding Sewer Revenue Bonds, Series 2001, and to restructure the outstanding principal balance of the outstanding Water Revenue Bonds, Series 2002. This restructuring was complete in August 2007, to be effective retroactively to April 5, 2007. In October 2007, the required balances in the Sinking, Reserve and Depreciation and Contingency Funds associated with the aforementioned bond issues were funded in accordance with the terms of the restructured bonds.

**NOTE # 11 - ACCOUNTS AND OTHER PAYABLES**

The accounts and other payables consisted of the following at June 30, 2011 and 2010.

	<u>GOVERNMENTAL BUSINESS-TYPE</u>		<u>2011</u>	<u>2010</u>
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>		
Accounts	\$ 28,569.71	\$ 22,792.97	\$ 51,362.68	\$ 34,680.27
Insurance	.00	.00	.00	.00
Contingent Liabilities	55,200.00	.00	55,200.00	55,200.00
Total	<u>\$ 83,769.71</u>	<u>\$ 22,792.97</u>	<u>\$ 106,562.68</u>	<u>\$ 89,880.27</u>

**NOTE # 12 - FLOW OF FUNDS; RESTRICTIONS ON USE - WATER AND SEWER AND GAS SYSTEM REVENUES**

Under the terms of the bond indentures on outstanding Utilities System revenue bonds, all income and revenues (herein after referred to as revenue) of every nature, earned or derived from operation of the Utilities Systems are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds. Each month, there will be set aside into a fund called "Revenue Bond Sinking Fund" an amount constituting 1/12 of the next maturing principal payment and 1/6 of the next maturing installment of interest on outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments. There shall also be set aside into a "Revenue Bond Reserve Fund" an amount equal to the highest combined principal and interest requirements on the bonds for any succeeding fiscal year. Such amount may be used only for the payment of maturing bonds and interest for which sufficient funds are not on deposit in the Revenue Bond Sinking Fund and as to which there would otherwise be default. See Note 11 for those items, which made the Town default at June 30, 2008, prior to restructuring. Funds will also be set aside into a "Depreciation and Contingency Fund". These funds may be used for the making of extensions, additions, improvements, renewals and replacement to the systems which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operating expense. However, a balance of \$5,000 must be maintained for the making of emergency repairs or replacements. All revenue received in any fiscal year are not required to be paid in such fiscal year into any of the above noted funds for all bond issues shall be regarded as surplus and may be used for any lawful corporate purpose.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 13 - EMPLOYEE RETIREMENT

A. Social Security System

Employees of the Town of Glenmora, who are not eligible to participate in any other retirement system are members of the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Town; 7.65% contributed by the employee). The Town's contributions during the year ending June 30, 2009 amounted to \$21,598.

B. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The Town contributes to the Municipal Employees Retirement System, a cost sharing multiple-employer, public retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two distinct plans (Plan A and Plan B). The Town employees are members of Plan B.

All permanent employees working at least 35 hours per week, who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the system. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirements benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. 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 contribution may retire at the ages specified above and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The system also provides retirement, death and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The Municipal Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Municipal Employees Retirement System, 7037 Office Park Blvd., Baton Rouge, LA 70809 or by calling (225)925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 6.75% of annual covered payroll. Contributions to the system also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collected by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Glenmora are established and may be amended by state statute. As provided by R.S. 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's contributions to the system under Plan B for the years ended June 30, 2011 and 2010 were \$7,776.35 and \$2,701.87, respectively, equal to the required contributions for each year.

C. Municipal Police Employees' Retirement System fo Louisiana (System)

Eligible employees of the Town participate in the Municipal Police Employees' Retirement System, which is a cost-sharing, multiple-employer defined benefit public employee retirement system. The plan is controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

**NOTE # 13 - EMPLOYEE RETIREMENT CONTINUED**

Plan description - All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after 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 Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Room 270, Baton Rouge, LA 70809-7017.

Funding Policy. Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 13.75% 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 R.S. 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 contributions to the System for the years ended June 30, 2011 and 2010 were \$.00 and \$.00, respectively, equal to the required contributions for each year. There were no employees participating in this plan in physical 2008.

**NOTE # 14 - RISK MANAGEMENT**

The Town is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the other insurance coverages during the year.

**NOTE # 15 - COMPENSATION OF TOWN OFFICIALS**

A detail of compensation paid to the Mayor and Board of Alderman for the year ended June 30, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Mayor		
Joseph L. Rivers	\$ 7,392.05	\$ 14,400.00
Malcolm English, Jr.	<u>7,200.00</u>	<u>.00</u>
	<u>\$ 14,592.05</u>	<u>\$ 14,400.00</u>
Aldermen:		
Clyde Myers	\$ 3,000.00	\$ 3,000.00
Kris Cloessner	1,500.00	.00
Clifford Doyle	1,500.00	.00
Glynn Dixon	1,500.00	.00
Malcolm English, Jr.	1,500.00	3,000.00
Willie Moore	3,000.00	3,000.00
Mark Snyder	.00	<u>3,000.00</u>
	<u>\$ 12,000.00</u>	<u>\$ 12,000.00</u>
<b>TOTALS</b>	<u><u>\$ 26,592.05</u></u>	<u><u>\$ 26,400.00</u></u>

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 16 - INTERFUND RECEIVABLES/PAYABLES

A. A summary of interfund receivables and payables at June 30, 2011 and 2010 follows:

	<u>2011</u>		<u>2010</u>	
	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
Major Governmental Fund				
General Fund	\$ 132,937.62	\$ .00	\$ 17,631.17	\$ (9,611.69)
Fire Department Fund	.00	(6,481.25)	5,573.08	(855.68)
Other Governmental Funds				
Payroll	410.13	.00	.00	(27,521.29)
Disbursement	.00	.00	.00	(497.77)
Economic Development	19,474.31	.00	5,313.13	.00
Sewer District	.00	(2,662.62)	.00	(2,662.62)
Debt Service	.00	.00	.00	.00
	<u>\$ 152,822.06</u>	<u>\$ (9,143.87)</u>	<u>\$ 28,517.38</u>	<u>\$ (41,149.05)</u>
Proprietary Funds				
Water and Sewer Fund	<u>\$ .00</u>	<u>\$ (143,678.19)</u>	<u>\$ 35,575.97</u>	<u>\$ (22,944.30)</u>
<b>TOTALS</b>	<u>\$ 152,822.06</u>	<u>\$ (152,822.06)</u>	<u>\$ 64,093.35</u>	<u>\$ (64,093.35)</u>

The amounts due from the General Fund to various other funds are for short-term loans.

NOTE # 17 - CONTRACT AGREEMENTS

The Town contracts their garbage services out to IESI-Alexandria. The Town is charged \$11.50 per customer. The Town is also charged an extra fee for trash dump and disposal fees by IESI, that is not included in \$11.50 per customer charge. The contract was renewed on February 8, 2011 for five years. The fee is \$11.50 for two years with a maximum consumer price index increase of 2.5% for the last 3 years. There is also a fuel surcharge for gas prices in excess of \$2.85 per gallon.

NOTE # 18 - CONCENTRATIONS OF CREDIT RISK

The accounts receivable from utility customers and the economic development loans receivable are due from businesses and residents of the Town of Glenmora. The collectibility of these financial instruments is dependent upon the general economic conditions in the Town's geographical area.

NOTE # 19 - LITIGATION AND CLAIMS/CONTINGENT LIABILITY

The Town has three on going civic law suits against them, none of which are covered by insurance.

Civil Suit Coker vs. The Town of Glenmora, Louisiana

The plaintiffs are the Town's current Chief of Police, Bennie Coker and the Town's former Assistant Chief of Police, Jean A. Johnson. The plaintiffs contend that the Town owes substantial contributions to them representing several years of contributions to the retirement system. In 2009, the Ninth Judicial District Judge limited the Town's exposure to three (3) years of contributions on each individual. The decision is currently on appeal, but a date for arguments has not been set in the Third Circuit Court of Appeal. The uninsured claim is being defended by the Louisiana Risk Management. The total amount approved by the Ninth Judicial District Judge is \$9,200 per year per individual for a total amount of \$55,200. This amount is recorded as an accrued liability.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 19 - LITIGATION AND CLAIMS/CONTINGENT LIABILITY CONTINUED

Civil Suit McNeal vs. The Town of Glenmora, Louisiana

The 2004 suit's plaintiff claims that the Town allowed sewer to overflow in her home on several occasions due to a defective sewer system. This claim is not covered by insurance. This claim is still ongoing, however, a trial date has been set. The Town's attorney advises us that the Town has no additional liability.

Civil Suit Foster vs. The Town of Glenmora, Louisiana

This is in regard to the former police chief. Foster arrested a relative of the police chief. The problem is an employee dispute with the former police chief. The attorney advises us that the liability insurance would cover the claim.

NOTE # 20 MINERAL LEASE

On October 8, 1996, Chesapeake Operating, Inc. entered into a lease agreement with the Town for mineral rights on approximately 107.37 acres of land for a period of three years. The payments on the rights has been satisfied and royalties are now being paid in the amount of 25% of all oil and gas, and other liquid or gaseous liquids produced, saved, or utilized, but not less than 1/8th. Amounts received under this lease agreement are reported as revenues in the general fund. The amount received for the year ended June 30, 2011 was \$685.62 and at June 30, 2010 was \$474.28.

NOTE # 21 ECONOMIC DEPENDENCY

The Town's natural gas system is dependent on the prices set by the Louisiana Municipal Gas Authority for the purchase of natural gas.

NOTE # 22 - RELATED PARTY TRANSACTIONS

The Town did not have any related party transactions during the audit year.

NOTE # 23 - DEFICIT FUND BALANCES

The Sewer Sinking Debt Service Fund has a deficit fund balance of \$12.53, as of June 30, 2010 and the interest earned reduced the deficit to \$5.91 as of June 30, 2011.

NOTE # 24 - LEGAL COMPLIANCE - BUDGET

The budget for the year ended June 30, 2011 was adopted in June 2010. The amended budget was adopted on October 17, 2011.

<u>JUNE 30, 2011</u>	<u>2011</u>				
	<u>EQUITY</u>	<u>INCOME</u>	<u>EXPENSE</u>	<u>OTHER</u>	<u>TOTALS</u>
General Budget					
Budget	\$ 450,192.45	\$ 915,950.00	\$ 719,300.00	\$ 44,000.00	\$ 152,650.00
Actual	327,160.11	915,774.31	719,889.45	44,151.20	151,733.66
Difference Over (Under)		\$ (175.69)	\$ (589.45)	\$ (151.20)	\$ (916.34)

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 24 - LEGAL COMPLIANCE - BUDGET CONTINUED

The budget for the year ended June 30, 2011 was adopted in June 2010. The amended budget was adopted on October 17, 2011.

	2011				
	<u>EQUITY</u>	<u>INCOME</u>	<u>EXPENSE</u>	<u>OTHER</u>	<u>TOTALS</u>
Fire Department					
Budget	\$ 4,112.79	\$ 88,510.00	\$ 135,600.00	\$ 44,200.00	\$ (2,890.00)
Actual	3,663.10	<u>88,074.60</u>	<u>135,595.49</u>	<u>44,151.20</u>	<u>(3,369.69)</u>
Difference Over					
(Under)		<u>\$ (435.40)</u>	<u>\$ 4.51</u>	<u>\$ (48.80)</u>	<u>\$ (479.69)</u>
Water & Sewer Department					
Budget	\$ 1,477,509.45	\$ 545,100.00	\$ 557,800.00	\$ (41,650.00)	\$ (54,350.00)
Actual	1,480,230.82	<u>546,220.78</u>	<u>556,203.46</u>	<u>(41,645.95)</u>	<u>(51,628.63)</u>
Difference Over					
(Under)		<u>\$ 1,120.78</u>	<u>\$ 1,596.54</u>	<u>\$ 4.05</u>	<u>\$ 2,721.37</u>
Gas Department					
Budget	\$ 262,082.93	\$ 184,500.00	\$ 232,100.00	\$ (12,000.00)	\$ (59,600.00)
Actual	262,333.81	<u>184,548.55</u>	<u>231,918.58</u>	<u>(11,979.09)</u>	<u>(59,349.12)</u>
Difference Over					
(Under)		<u>\$ 48.55</u>	<u>\$ 181.42</u>	<u>\$ 20.91</u>	<u>\$ 250.88</u>

	2010				
	<u>EQUITY</u>	<u>INCOME</u>	<u>EXPENSE</u>	<u>OTHER</u>	<u>TOTALS</u>
JUNE 30, 2010					
General Budget					
Budget	\$ 578,921.94	\$ 899,800.00	\$ 592,733.10	\$ 95,000.00	\$ 212,066.90
Actual	201,050.62	<u>586,042.57</u>	<u>716,471.16</u>	<u>61,000.00</u>	<u>(191,428.59)</u>
Difference Over					
(Under)		<u>\$ (313,757.43)</u>	<u>\$ 123,738.06</u>	<u>\$ 34,000.00</u>	<u>\$ (403,495.49)</u>
Fire Department					
Budget	\$ 67,905.57	\$ 61,800.00	\$ 104,414.00	\$ 95,000.00	\$ 52,386.00
Actual	7,002.79	<u>67,551.45</u>	<u>137,068.23</u>	<u>61,000.00</u>	<u>(8,516.78)</u>
Difference Over					
(Under)		<u>\$ 5,751.45</u>	<u>\$ (32,654.23)</u>	<u>\$ (34,000.00)</u>	<u>\$ (60,902.78)</u>
Water & Sewer Department					
Budget	\$ 1,648,657.67	\$ 551,500.00	\$ 504,857.00	\$ .00	\$ 46,643.00
Actual	1,602,014.67	<u>561,583.92</u>	<u>526,733.73</u>	<u>32,241.59</u>	<u>67,091.78</u>
Difference Over					
(Under)		<u>\$ 10,083.92</u>	<u>\$ (21,876.73)</u>	<u>\$ 32,241.59</u>	<u>\$ 20,448.78</u>
Gas Department					
Budget	\$ 299,038.28	\$ 221,800.00	\$ 256,296.00	\$ 36,000.00	\$ (1,504.00)
Actual	252,610.18	<u>190,052.05</u>	<u>206,862.00</u>	<u>.00</u>	<u>(16,809.95)</u>
Difference Over					
(Under)		<u>\$ (31,747.95)</u>	<u>\$ 49,434.00</u>	<u>\$ (36,000.00)</u>	<u>\$ (18,313.95)</u>

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE # 24 - LEGAL COMPLIANCE - BUDGET CONTINUED

<u>YEAR - 2011</u>	<u>EXPENSE</u>	<u>DEPRECIATION</u>	<u>NET</u>
General Fund	\$ 855,484.94	\$ .00	\$ 855,484.94
Water & Sewer Department	556,203.46	127,109.11	429,094.35
Gas Department	<u>231,918.58</u>	<u>27,976.74</u>	<u>203,941.84</u>
Totals	<u>\$ 1,643,606.98</u>	<u>\$ 155,085.85</u>	<u>\$ 1,488,521.13</u>

<u>YEAR - 2010</u>	<u>EXPENSE</u>	<u>DEPRECIATION</u>	<u>NET</u>
General Fund	\$ 853,539.39	\$ .00	\$ 853,539.39
Water & Sewer Department	649,969.36	(123,235.63)	526,733.73
Gas Department	<u>234,976.11</u>	<u>(28,114.11)</u>	<u>206,862.00</u>
Totals	<u>\$ 1,738,484.66</u>	<u>\$ (151,349.74)</u>	<u>\$ 1,587,135.12</u>

The Town did not comply with the Louisiana Legislative budget requirements. They did not amend their budget to cover actual revenues and expenditures over their budgeted amounts. See audit recommendations for details.

NOTE # 25 - STATEMENT OF CASH FLOWS FOR PROPRIETARY FUNDS

For purposes of this Statement of Cash Flows, for proprietary fund types, all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased are considered to be cash equivalents. The cash and cash equivalents as stated on the Statement of Cash Flows is as follows:

	<u>UTILITY FUNDS</u>	
	<u>2011</u>	<u>2010</u>
Unrestricted	\$ 18,324.64	\$ 30,657.44
Restricted		
Customer Deposits	97,637.91	105,033.18
Bond Reserve Funds	<u>58,541.55</u>	<u>90,927.13</u>
Total	<u>\$ 174,504.10</u>	<u>\$ 226,617.75</u>



**REQUIRED SUPPLEMENTAL INFORMATION (PART II)**

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
GENERAL FUND

STATEMENT A

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	OCTOBER 17, 2011 LAST ADOPTED BUDGET	ACTUAL YEAR TO DATE JUNE 30, 2011	ESTIMATED REMAINING FOR YEAR	PROJECTED ACTUAL RESULT YEAR END	% CHANGE LAST ADOPTED BUDGET VS PROJECTED ACTUAL RESULT AT YEAR END	PROPOSED BUDGET	% CHANGE PROJECTED ACTUAL RESULT AT YEAR END VS PROPOSED BUDGET
<b>REVENUES</b>								
<b>LOCAL SOURCES</b>								
Taxes								
Sales	\$ 356,000.00	\$ 363,000.00	\$ 362,681.70	\$ -	\$ 362,681.70	-	\$ 345,000.00	
Advalorem	18,000.00	16,500.00	16,432.33	-	16,432.33	-	24,000.00	
Franchise	73,100.00	71,000.00	71,068.23	-	71,068.23	-	.00	
Licenses and Permits	56,500.00	54,000.00	54,339.22	-	54,339.22	-	82,500.00	
Intergovernmental Revenues								
Parish Reimbursements for Road Tax	180,000.00	50,000.00	49,801.65	-	49,801.65	-	136,237.00	
Fines and Forfeits	190,000.00	283,000.00	283,204.25	-	283,204.25	-	225,000.00	
Miscellaneous								
Interest Income	.00	1,900.00	1,885.57	-	1,885.57	-	.00	
Lease/Rental	22,000.00	22,000.00	22,079.36	-	22,079.36	-	29,000.00	
Oil Revenues	1,700.00	700.00	685.62	-	685.62	-	250.00	
Sales of Assets	.00	250.00	250.00	-	250.00	-	.00	
Others	50,000.00	22,000.00	22,077.79	-	22,077.79	-	.00	
Total Revenues from Local Sources	\$ 947,300.00	\$ 884,350.00	\$ 884,505.72	\$ -	\$ 884,505.72	-	\$ 841,987.00	-4.00%
<b>STATE SOURCES</b>								
State Grants	\$ 23,875.00	\$ 29,500.00	\$ 29,422.24	\$ -	\$ 29,422.24	-	\$ 17,107.00	
Beer Tax	2,500.00	1,100.00	1,087.41	-	1,087.41	-	1,200.00	
Supplemental Pay	.00	.00	.00	-	.00	-	6,000.00	
Total Revenues from State Sources	\$ 26,375.00	\$ 30,600.00	\$ 30,509.65	\$ -	\$ 30,509.65	-	\$ 24,307.00	-20.00%
<b>FEDERAL SOURCES</b>								
FEMA Reimbursement	\$ .00	\$ 1,000.00	\$ 738.94	\$ -	\$ 738.94	-26.00%	\$ .00	-
<b>TOTAL REVENUES BY SOURCES</b>	<b>\$ 973,675.00</b>	<b>\$ 915,950.00</b>	<b>\$ 915,754.31</b>	<b>\$ -</b>	<b>\$ 915,754.31</b>	<b>-</b>	<b>\$ 866,294.00</b>	<b>-5.00%</b>
<b>EXPENDITURES</b>								
<b>SUMMARY OF EXPENDITURES - BY DEPARTMENTS</b>								
General Government								
Administrative	\$ 150,488.00	\$ 197,000.00	\$ 197,160.34	\$ -	\$ 197,160.34	-	\$ 255,000.00	14.00%
<b>SUMMARY OF EXPENDITURES - BY FUNCTION</b>								

Public Safety								
Police	\$ 265,541.00	\$ 222,400.00	\$ 222,382.84	\$ -	\$ 222,382.84	\$ -	\$ 215,000.00	
Highway and Streets								
Street Expenditures	146,305.00	124,000.00	124,047.12	-	124,047.12	-	127,755.00	
Street Repairs	50,000.00	14,000.00	14,167.59	-	14,167.59	-	5,000.00	
Sanitation	.00	95,000.00	95,175.36	-	95,175.36	-	110,000.00	
Culture and Recreation	17,400.00	18,000.00	18,236.49	-	18,236.49	-	10,000.00	
Total Other Financing by Function	<u>\$ 479,246.00</u>	<u>\$ 473,400.00</u>	<u>\$ 474,009.40</u>	<u>\$ -</u>	<u>\$ 474,009.40</u>	<u>-</u>	<u>\$ 467,755.00</u>	<u>-1.00%</u>
<b>SUMMARY OF OTHER EXPENDITURES</b>								
Capital Outlay	23,875.00	35,500.00	35,455.71	\$ -	35,455.71	-	\$ .00	
Debt Service								
Principal Retirement	.00	2,000.00	2,000.00	-	2,000.00	-	2,000.00	
Lease Purchase	.00	11,000.00	10,864.00	-	10,864.00	-	.00	
Interest and Fiscal Changes	.00	400.00	400.00	-	400.00	-	200.00	
Total Expenditures	<u>\$ 23,875.00</u>	<u>\$ 48,900.00</u>	<u>\$ 48,719.71</u>	<u>\$ -</u>	<u>\$ 48,719.71</u>	<u>-</u>	<u>\$ 2,200.00</u>	<u>-96.00%</u>
<b>SUMMARY OF OTHER FINANCING USES - BY USES</b>								
Transfers Out	\$ (70,000.00)	\$ (44,000.00)	\$ (44,151.20)	\$ -	\$ (44,151.20)	-	\$ .00	-
<b>NET CHANGES IN FUND BALANCE</b>	<u>\$ 250,066.00</u>	<u>\$ 152,650.00</u>	<u>\$ 151,733.66</u>	<u>\$ -</u>	<u>\$ 151,733.66</u>	<u>-</u>	<u>\$ 166,294.00</u>	<u>10.00%</u>
<b>FUND BALANCES - BEGINNING</b>	<u>175,426.45</u>	<u>175,426.45</u>	<u>175,426.45</u>	<u>-</u>	<u>175,426.45</u>	<u>-</u>	<u>327,160.11</u>	
<b>FUND BALANCES - ENDING</b>	<u>\$ 425,492.45</u>	<u>\$ 328,076.45</u>	<u>\$ 327,160.11</u>	<u>\$ -</u>	<u>\$ 327,160.11</u>	<u>-</u>	<u>\$ 493,454.11</u>	

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
FIRE DEPARTMENT

STATEMENT B

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
<u>REVENUES</u>				
Taxes	\$ 52,000.00	\$ 52,000.00	\$ 52,739.73	\$ 739.73
Other Income				
2% Insurance	8,500.00	8,500.00	7,655.86	(844.14)
Interest	1,300.00	10.00	9.48	(.52)
Supplemental Income	.00	6,000.00	6,000.00	.00
Grants	.00	12,000.00	11,997.04	(2.96)
Miscellaneous	.00	10,000.00	9,672.49	(327.51)
Total Revenues	<u>\$ 61,800.00</u>	<u>\$ 88,510.00</u>	<u>\$ 88,074.60</u>	<u>\$ (435.40)</u>
<u>EXPENDITURES</u>				
Current				
Public Safety	\$ 106,126.00	\$ 92,500.00	\$ 92,489.39	\$ 10.61
Capital Outlay	.00	11,700.00	11,720.00	(20.00)
Debt Service				
Principal	31,125.00	23,000.00	23,000.00	.00
Interest	.00	8,400.00	8,386.10	13.90
Total Expenditures	<u>\$ 137,251.00</u>	<u>\$ 135,600.00</u>	<u>\$ 135,595.49</u>	<u>\$ 4.51</u>
<u>DEFICIENCY OF REVENUES OVER EXPENDITURES</u>	<u>\$ (75,451.00)</u>	<u>\$ (47,090.00)</u>	<u>\$ (47,520.89)</u>	<u>\$ (430.89)</u>
<u>OTHER FINANCING USES</u>				
Transfers In	<u>\$ 70,000.00</u>	<u>\$ 44,200.00</u>	<u>\$ 44,151.20</u>	<u>\$ (48.80)</u>
<u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	<u>\$ (5,451.00)</u>	<u>\$ (2,890.00)</u>	<u>\$ (3,369.69)</u>	<u>\$ (479.69)</u>
<u>FUND BALANCES, BEGINNING</u>	<u>7,002.79</u>	<u>7,002.79</u>	<u>7,002.79</u>	
<u>FUND BALANCES, ENDING</u>	<u>\$ 1,551.79</u>	<u>\$ 4,112.79</u>	<u>\$ 3,633.10</u>	

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
ENTERPRISE FUND - WATER AND SEWER  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

STATEMENT C

<u>REVENUES</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
Charges for Services				
Water	\$ 285,000.00	\$ 287,000.00	\$ 287,632.10	\$ 632.10
Sewer	255,000.00	251,000.00	251,420.80	420.80
Permits, Reconnections and Penalties	23,000.00	27,600.00	27,649.88	49.88
Deduct: Bad Debt Expense	.00	(20,500.00)	(20,482.00)	18.00
Total Operating Revenues	<u>\$ 563,000.00</u>	<u>\$ 545,100.00</u>	<u>\$ 546,220.78</u>	<u>\$ 1,120.78</u>
 <u>OPERATING EXPENSES</u>				
Salaries and Benefits	\$ 98,532.00	\$ 110,000.00	\$ 109,749.60	\$ 250.40
Consultants	73,700.00	12,000.00	12,183.00	(183.00)
Meter Purchases	750.00	.00	.00	.00
Chlorine	6,000.00	3,500.00	3,465.65	34.35
Lab Fees	4,700.00	.00	.00	.00
Chemical & Testing	10,000.00	15,000.00	14,914.69	85.31
Plant & Water Power	36,500.00	52,000.00	51,997.22	2.78
Repairs & Maintenance	38,800.00	169,000.00	168,620.91	379.09
Truck Expense	9,000.00	24,000.00	23,958.06	41.94
Supplies	.00	6,800.00	6,751.17	48.83
Depreciation Expense	.00	128,000.00	127,109.11	890.89
Insurance	16,200.00	5,600.00	5,537.93	62.07
IESI Roll Off Container Fee	2,500.00	.00	.00	.00
Legal & Professional	7,800.00	9,800.00	9,800.00	.00
Office Expense	9,200.00	8,500.00	8,548.20	(48.20)
Drug Testing	900.00	.00	.00	.00
Dues	1,700.00	1,500.00	1,514.58	(14.58)
Training & Certification	2,500.00	1,400.00	1,310.80	89.20
Telephone	2,500.00	6,500.00	6,563.21	(63.21)
NSF Checks	.00	1,400.00	1,418.64	(18.64)
Miscellaneous	.00	2,800.00	2,760.69	39.31
Total Operating Expenses	<u>\$ 321,282.00</u>	<u>\$ 557,800.00</u>	<u>\$ 556,203.46</u>	<u>\$ 1,596.54</u>
 <u>OPERATING INCOME</u>	 <u>\$ 241,718.00</u>	 <u>\$ (12,700.00)</u>	 <u>\$ (9,982.68)</u>	 <u>\$ 2,717.32</u>

NON OPERATING REVENUES (EXPENSES)

Interest Income	\$ 450.00	\$ 350.00	\$ 325.87	\$ (24.13)
Grants	.00	25,000.00	25,000.00	.00
Miscellaneous Income	25,450.00	25,500.00	25,511.50	11.50
Debt Service/Interest	<u>(211,100.00)</u>	<u>(92,500.00)</u>	<u>(92,483.32)</u>	<u>16.68</u>
Total Non Operating Revenues (Expense)	<u>\$ (185,200.00)</u>	<u>\$ (41,650.00)</u>	<u>\$ (41,645.95)</u>	<u>\$ 4.05</u>

CHANGES IN NET ASSETS

\$ 56,518.00	\$ 54,350.00	\$ (51,628.63)	<u>\$ (2,721.37)</u>
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NET ASSETS - BEGINNING

<u>1,531,859.45</u>	<u>1,531,859.45</u>	<u>1,531,859.45</u>
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NET ASSETS - ENDING

<u>\$ 1,588,377.45</u>	<u>\$ 1,586,209.45</u>	<u>\$ 1,480,230.82</u>
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The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA

STATEMENT D

ENTERPRISE FUND - GAS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>WITH FINAL</u> <u>BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
<u>OPERATING REVENUES</u>				
Charges for Services	\$ .00	\$ 184,500.00	\$ 184,548.55	\$ 48.55
Permits, Reconnections and Penalties	.00	.00	.00	.00
Miscellaneous	.00	.00	.00	.00
Deduct: Bad Debt Expense	.00	.00	.00	.00
Total Operating Revenues	<u>\$ .00</u>	<u>\$ 184,500.00</u>	<u>\$ 184,548.55</u>	<u>\$ 48.55</u>
<u>OPERATING EXPENSES</u>				
Salaries and Benefits	\$ .00	\$ 66,800.00	\$ 66,873.22	\$ (73.22)
Gas Purchases	.00	48,000.00	48,086.17	(86.17)
Gas Consultant	.00	1,200.00	1,204.18	(4.18)
Inspection	.00	500.00	425.00	75.00
Repairs & Maintenance	.00	28,000.00	27,941.80	58.20
Meter Purchases	.00	4,000.00	3,996.90	3.10
Electricity	.00	2,000.00	2,040.67	(40.67)
Truck Expense	.00	.00	.00	.00
Depreciation Expense	.00	28,000.00	27,976.74	23.26
Insurance	.00	.00	.00	.00
Training & Certification	.00	500.00	495.00	5.00
Telephone & Utilities	.00	2,000.00	1,995.57	4.43
Legal & Professional	.00	7,000.00	7,000.00	.00
Accounting Services	.00	38,000.00	37,899.96	100.04
Office Expense	.00	1,300.00	1,289.81	10.19
Bank Charges	.00	600.00	605.55	(5.55)
Dues	.00	1,700.00	1,656.40	43.60
Miscellaneous	.00	2,500.00	2,431.61	68.39
Total Operating Expenses	<u>\$ .00</u>	<u>\$ 232,100.00</u>	<u>\$ 231,918.58</u>	<u>\$ 181.42</u>
<u>NET OPERATING INCOME</u>	<u>\$ .00</u>	<u>\$ (47,600.00)</u>	<u>\$ (47,370.03)</u>	<u>\$ 229.97</u>
<u>NON OPERATING REVENUES (EXPENSES)</u>				
Interest Expense	\$ .00	\$ (12,000.00)	\$ (11,979.09)	\$ 20.91
Changes in Net Assets	\$ .00	\$ (59,600.00)	\$ (59,349.12)	\$ 250.88

<u>NET ASSETS - BEGINNING</u>	\$ _____ .00	\$ 371,146.54	\$ 371,146.54
<u>NET ASSETS - ENDING</u>	\$ _____ .00	\$ 311,546.54	\$ 311,797.42

The notes are an integral part of these statements. See accompanying notes and auditors' report.



OTHER SUPPLEMENTAL INFORMATION( PART III)

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
SCHEDULE OF INSURANCE IN FORCE  
JUNE 30, 2011

SCHEDULE A

INSURANCE COMPANY	POLICY NUMBER	DATES		TYPE	COVERAGE	2011 PREMIUM	2010 PREMIUM	PREPAID	
		TO	FROM					2011	2010
Louisiana Municipal Risk Mgmt	100-0364-00013614	01/11/11	01/11/12	Automobile Liability Deductible - None	\$ 500,000.00	\$ -	\$ 8,820.82	\$ -	\$ -
				Commercial General Liability Premises Operations Deductible - None	500,000.00				
				Gas Company		-	7,747.38	\$ -	-
				Waterworks		-	7,358.83	-	-
				Firefighters		-	507.74	-	-
				Firefighters - Volunteer		-	.00	-	-
				Convention Building		-	.00	-	-
				Convention Building # 2		-	.00	-	-
				Municipalities (Pop. 2,500)		-	1,052.75	-	-
				Streets and Roads		-	546.60	-	-
				Products & Completed Operations Waterworks		-	713.00	-	-
				Broad Form & General Liability Broad Form GCL Endorsement		-	3,585.27	-	-
				Errors and Omissions Deductible	500,000.00 1,000.00	-	2,227.50	-	-
				Law Enforcement Officer Deductible	500,000.00 1,000.00	-	4,532.00	-	-
						<u>\$ 46,567.63</u>	<u>\$ 37,091.89</u>	<u>\$ 4,575.00</u>	<u>\$ 4,410.00</u>
Essex Insurance Company	STR14494-0	01/11/11	01/11/12	Commercial Auto Physical Damage		\$ 4,528.00	\$ 2,040.15	\$ 2,264.00	\$ 1,020.00
				2005 Ford Crown Victoria W/Equip	15,000/5,000				
				2003 Ford Crown Victoria W/Equip	10,000/2,500				
				2003 Ford F-150 Super Cab W/Equip	12,000/2,500				
				1997 Crown Victoria W/Equip	15,000/10,000				
				2001 Crown Victoria W/Equip	15,000/10,000				
				2005 Pickup W/Equip	10,500/10,000				
				2003 Chevrolet W/Equip	7,100/10,000				
				2010 Dodge Charger	20,000				
				2010 Dodge Charger	20,000				
				2002 C2500 Chevrolet Silver	9,900				
				Deductible	1,000.00				
FMC Insurance Companies	2P64540-12	01/12/11	01/12/12	Building Deductible	1,900.00	\$ 5,665.00	\$ 5,665.00	\$ 2,832.00	\$ 2,832.00
				Replacement Cost - 80% 1005 7th Street					
				Building	78,728.00				
				Contents	21,000.00				
				916-20 W Railroad Avenue	12,366.00				
				817 10th Street	92,660.00				
				614 9th Street	29,224.00				
				726D 7th Avenue	63,668.00				
				Personal Property 718 8th Street	333,000.00 811,200.00				
				Equipment		1,169.00	1,169.00	585.00	584.00
				600 Ashmore Road	13,728.00				
				801 5th Street	16,640.00				
				411 Iles Street	16,640.00				
				922 Iles Street	16,640.00				
				1973 Hwy 165	13,728.00				

			906 Hwy 65	14,248.00			
			914 7th Street	16,640.00			
			1633 Turkey Creek Rd	18,720.00			
			200 Dillon Loop	16,640.00			
			100 Cedar Street	15,600.00			
			1836 6th Avenue	16,640.00			
			1525 5th Avenue	13,530.00			
			717 8th Avenue	4,586.00			
			710 7th Street	4,586.00			
			512 Ashmore Road	15,600.00			
			Fair Plan		278.88	268.58	.00
					<u>\$ 7,112.88</u>	<u>\$ 7,102.58</u>	<u>\$ 3,417.00</u>
Essex Insurance Company	5TRD4495-0	01/11/11 - 01/11/12	Commercial Auto Physical Damage 2000 International Fire Tanker Pumper - No Equipment Deductible	141,000.00 2,500.00	\$ 3,285.00	\$ 3,592.05	\$ 1,642.00
							\$ 1,796.00
Louisiana Municipal Risk Mgmt	70-0345-00013838	06/08/11 - 06/08/12	Louisiana Workers Compensation		<u>\$ 27,203.00</u>	<u>\$ 19,416.00</u>	<u>\$ .00</u>
Surety Bonds	71017359	01/01/11 - 01/01/12	Malcolm English	10,000.00	100.00		
	71043721	12/29/11 - 12/29/12	Pamela K. Cloud	10,000.00	100.00		
		04/11/11 - 01/11/12	Tyler Cloud	10,000.00	100.00		
	71083583	03/24/11 - 03/24/11	Crystal Guillory	10,000.00	100.00		
	71084089	03/24/11 - 03/24/12	Marilyn Young	10,000.00	100.00		
	15177780	07/29/11 - 07/29/12	Ronda Laird	10,000.00	100.00		
					<u>600.00</u>		
<b>TOTALS</b>							<u>\$ 11,898.00</u>
							<u>\$ 10,642.00</u>

The notes are an integral part of these statements. See accompanying notes and auditors' report.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
COMBINING SCHEDULE OF WATER, SEWER, GAS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PROPRIETARY FUNDS  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

SCHEDULE B

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL SEWER AND WATER</u>	<u>GAS</u>	<u>2011</u>	<u>2010</u>
<b><u>REVENUES</u></b>						
Charges for Services						
Water	\$ 315,281.98	\$ .00	\$ 315,281.98	\$ .00	\$ 315,281.98	\$ 279,485.52
Sewer	.00	251,420.80	251,420.80	.00	251,420.80	251,754.54
Gas	.00	.00	.00	184,548.55	184,548.55	189,621.32
Miscellaneous	.00	.00	.00	.00	.00	6,093.06
Deduct: Bad Debt Expense	(20,482.00)	.00	(20,482.00)	.00	(20,482.00)	.00
Total Operating Revenues	<u>\$ 294,799.98</u>	<u>\$ 251,420.80</u>	<u>\$ 546,220.78</u>	<u>\$ 184,548.55</u>	<u>\$ 730,769.33</u>	<u>\$ 726,954.44</u>
<b><u>OPERATING EXPENDITURES</u></b>						
Materials and Supplies						
Purchases/Supplies/Other	\$ 6,751.17	\$ .00	\$ 6,751.17	\$ 48,086.17	\$ 54,837.34	\$ 58,105.31
Meter Purchases	.00	.00	.00	3,996.90	3,996.90	2,337.05
Chlorine	3,465.65	.00	3,465.65	.00	3,465.65	8,960.90
Lab Fees	.00	.00	.00	.00	.00	270.00
Chemicals and Testing	14,914.69	.00	14,914.69	.00	14,914.69	10,953.77
Electrical	12,058.94	39,938.28	51,997.22	2,040.67	54,037.89	47,205.85
Repairs and Maintenance	.00	168,620.91	168,620.91	27,941.80	196,562.71	167,597.39
Truck Expense	23,958.06	.00	23,958.06	.00	23,958.06	20,304.65
Inspection	.00	.00	.00	425.00	425.00	3,975.11
Insurance	5,537.93	.00	5,537.93	.00	5,537.93	29,422.87
Total Materials and Supplies	<u>\$ 66,686.44</u>	<u>\$ 208,559.19</u>	<u>\$ 275,245.63</u>	<u>\$ 82,490.54</u>	<u>\$ 357,736.17</u>	<u>\$ 349,132.90</u>
Depreciation and Amortization	<u>\$ 49,638.39</u>	<u>\$ 77,470.72</u>	<u>\$ 127,109.11</u>	<u>\$ 27,976.74</u>	<u>\$ 155,085.85</u>	<u>\$ 151,349.78</u>
Salaries and Employee Benefits						
Wages	\$ 76,826.71	\$ .00	\$ 76,826.71	\$ 32,786.39	\$ 109,613.10	\$ 108,039.51
Contract Labor	12,037.84	.00	12,037.84	.00	12,037.84	.00
Payroll Taxes	5,926.04	.00	5,926.04	2,454.61	8,380.65	8,148.95
Retirement	2,878.57	.00	2,878.57	1,828.84	4,707.41	6,316.81
Workers Compensation	11,893.66	.00	11,893.66	.00	11,893.66	2,538.59
Health Insurance	186.78	.00	186.78	29,111.28	29,298.06	47,951.71
Drug Testing	.00	.00	.00	692.10	692.10	1,346.25
Total Salaries and Employee Benefits	<u>\$ 109,749.60</u>	<u>\$ .00</u>	<u>\$ 109,749.60</u>	<u>\$ 66,873.22</u>	<u>\$ 176,622.82</u>	<u>\$ 174,341.82</u>
Administrative						
Telephone	\$ 6,563.21	\$ .00	\$ 6,563.21	\$ 1,995.57	\$ 8,558.78	\$ 7,906.30
Office Supplies	8,548.20	.00	8,548.20	1,289.81	9,838.01	12,937.97
Miscellaneous	2,760.69	.00	2,760.69	2,431.61	5,192.30	8,978.42
Bank Charges/NSF Checks	1,418.64	.00	1,418.64	605.55	2,024.19	1,989.88

Dues	1,514.58	.00	1,514.58	1,656.40	3,170.98	5,923.92
Training	1,310.80	.00	1,310.80	495.00	1,805.80	315.00
Accounting Service	2,800.00	.00	2,800.00	37,899.96	40,699.96	27,347.00
Audit Fees	7,000.00	.00	7,000.00	7,000.00	14,000.00	14,000.00
Consulting	12,183.00	.00	12,183.00	1,204.18	13,387.18	.00
Total Administrative	<u>\$ 44,099.12</u>	<u>\$ .00</u>	<u>\$ 44,099.12</u>	<u>\$ 54,578.08</u>	<u>\$ 98,677.20</u>	<u>\$ 79,398.49</u>
<b>TOTAL OPERATING EXPENDITURES</b>	<u>\$ 270,173.55</u>	<u>\$ 286,029.91</u>	<u>\$ 556,203.46</u>	<u>\$ 231,918.58</u>	<u>\$ 788,122.04</u>	<u>\$ 754,222.99</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ 24,626.43</u>	<u>\$ (34,609.11)</u>	<u>\$ (9,982.68)</u>	<u>\$ (47,370.03)</u>	<u>\$ (57,352.71)</u>	<u>\$ (27,268.55)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest Income	\$ 325.87	\$ .00	\$ 325.87	\$ .00	\$ 325.87	\$ 637.51
Grants	25,000.00	.00	25,000.00	.00	25,000.00	.00
Miscellaneous Income	25,511.50	.00	25,511.50	.00	25,511.50	31,912.11
Interest Expense/Bond Payments	(92,483.32)	.00	(92,483.32)	(11,979.09)	(104,462.41)	(43,748.99)
Total Non-Operating Revenues (Expenses)	<u>\$ (41,645.95)</u>	<u>\$ .00</u>	<u>\$ (41,645.95)</u>	<u>\$ (11,979.09)</u>	<u>\$ (53,625.04)</u>	<u>\$ (11,199.37)</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ (17,019.52)</u>	<u>\$ (34,609.11)</u>	<u>\$ (51,628.63)</u>	<u>\$ (59,349.12)</u>	<u>\$ (110,977.75)</u>	<u>\$ (38,467.92)</u>
<b>NET ASSETS - Beginning of Year</b>			<u>1,531,859.45</u>	<u>321,682.93</u>	<u>1,853,542.38</u>	<u>1,955,692.80</u>
<b>NET ASSETS - End of Year</b>			<u>\$ 1,480,230.82</u>	<u>\$ 262,333.81</u>	<u>\$ 1,742,564.63</u>	<u>\$ 1,917,224.88</u>

The notes are an integral part of these statements. See accompanying notes and auditors' report.

COMMENTS ON COMPLIANCE AND INTERNAL CONTROL

GARRETT & GARRETT  
CERTIFIED PUBLIC ACCOUNTANTS  
119 PROFESSIONAL DRIVE  
WEST MONROE, LOUISIANA 71291

CAROLYN V. GARRETT  
JUDY D. GARRETT

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November 15, 2011

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Malcolm L. English, Jr., Mayor  
and Members of the Board of Aldermen  
Town of Glenmora, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Glenmora, Louisiana, as of and for the years ended June 30, 2011 and 2010, which collectively comprise the Town of Glenmora, Louisiana basic financial statements and have issued our report thereon dated November 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of Glenmora, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Glenmora, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Glenmora, Louisiana's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We considered the deficiencies described in the accompanying schedule of current year and prior year findings and corrective action plans on pages 43 - 45 in combination to be material weaknesses.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that were considered to be significant deficiencies in internal control over financial reporting. (See pages 43 - 45) A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Honorable Malcolm L. English, Jr., Mayor  
and Members of the Board of Aldermen and Alderwomen  
Town of Glenmora, Louisiana  
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Glenmora, Louisiana's financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedules of current year and prior year findings and corrective action plan as listed on pages 43- 45.

The Town of Glenmora, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Town of Glenmora, Louisiana's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Town's Board of Aldermen, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

GARRETT & GARRETT  
CERTIFIED PUBLIC ACCOUNTANTS

*Garrett & Garrett CPAs*



**SUMMARY OF SCHEDULE OF CURRENT YEAR FINDINGS  
AND CORRECTIVE ACTION PLAN**

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
SUMMARY OF SCHEDULE OF CURRENT YEAR FINDINGS  
AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2011

<u>REF. NO.</u>	<u>FISCAL YEAR FINDING INITIALLY OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE ACTION TAKEN</u>	<u>CORRECTIVE ACTION PLANNED</u>	<u>NAME OF CONTACT PERSON</u>	<u>ANTICIPATED COMPLETION DATE</u>
<u>CURRENT YEAR</u>						
<u>INTERNAL CONTROL</u>						
11-01(IC)	06/30/11	The Town is not reconciling their meter deposit system to the general ledger. The Town's general ledger has approximately \$18,000 more recorded than the meter deposit subsidiary. From our review of the transactions, this difference is most likely meter deposits that have not been posted to the subsidiary. These payable accounts are being "plugged" for unrecorded cash deposits and this difference may be one of the "plugged" amounts. However, the checking accounts are reconciled which leads us to believe the difference is probably unrecorded transactions to the subsidiary.	No	The Town plans to have all current meter deposit system transactions posted by the subsidiary by the 20th of each month. Old outstanding transactions will be completed by June 30, 2012. The Town will have an employee compare all meter deposits, refund checks and applied deposits that are posted to the general ledger payable accounts to the meter deposit subsidiary. Any outstanding transactions will be investigated and corrected.	Mayor	06/30/12
11-02(IC)	06/30/11	The former Town Clerk allegedly used the Town's credit cards to pay for personal items. The amount of the questioned cost is \$7,251. The matter was turned over to the Rapides Parish District Attorney. She is no longer employed with the Town; the credit cards were cancelled.	Yes	The Town plans to make sure they have documentation attached to each check before checks are signed and distributed. They will develop written policies concerning Town credit cards and payables.	Mayor	06/30/12
<u>PRIOR YEARS</u>						
<u>INTERNAL CONTROL</u>						
11-03(IC)	06/30/09	The Town is unable to issue a Balance Sheet and Income Statement with their current set up of their general ledger. There are number of problems with the set up of the chart of accounts and the interfaces between the sub accounting systems and the general ledger.	No	The Town is currently in contact with the computer software company to solve some of these problems. We suggest the Town look into renumbering and combining some of their general ledger accounts if feasible.  The set up problems also include problems between the cash receipts system and the general ledger, the utility deposit system and the general ledger, and the payables system and the general ledger. The Town is hoping these problems are just set up problems and can be solved easily. We recommend the Town get their book-keeping service to discuss what is	Mayor	06/30/10

expected of each party to ensure that the Town can print out financial statements in the future.

The computer company is making changes to the account number problem.

Corrective Action in 2011:

None. The Town had several meetings with the computer company but no real progress was completed. The Town is changing their accounting system.

11-04(IC)	06/30/09	The Town does not deposit their cash receipts on a daily basis. The Town is using a manual receipt system for some of its cash receipt transactions and delays the posting of these receipts to their computerized receipts system to a later date.	No	The Town will make changes to their cash receipts procedures to make sure that the cash receipts are reconciled, posted, and deposited to the bank on a daily basis.	Mayor	06/30/10
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Corrective Action in 2011:

The Town started reconciling their cash receipts and making deposits on a daily basis before June 30, 2011. There are still some problems however; those problems deal with the computer system and should be worked out by the end of fiscal 2012

11-05(IC)	06/30/09	The Town's bank reconciliations include outstanding deposits and checks that are several months old and should have been corrected or investigated as to why these amounts are still outstanding.	No	The Town will review their bank reconciliation on a monthly basis. Any outstanding items will be investigated and corrected. Bank reconciliations will not include outstanding deposits that are older than one business day from the date they are deposited to the bank. Outstanding checks that are older than one month will be investigated to make sure the checks should not be voided and reissued.	Mayor	06/30/10
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Corrective Action in 2011:

At the end of this fiscal year, this is still a problem. This problem is caused by set up problems with the cash receipts system as well as a lack of training for the Town's new employees and communications problems between the Town and the bookkeeping service.

The Town has plans to correct the problem with a new accounting system.

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
SUMMARY OF SCHEDULE OF CURRENT YEAR FINDINGS  
AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2011

CONTINUED

<u>REF. NO.</u>	<u>FISCAL YEAR FINDING INITIALLY OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE ACTION TAKEN</u>	<u>CORRECTIVE ACTION PLANNED</u>	<u>NAME OF CONTACT PERSON</u>	<u>ANTICIPATED COMPLETION DATE</u>
11-06(IC)	06/30/09	The Town's interdepartmental due to/from accounts do not balance.	No	The Town will review these accounts on a periodic basis to make sure all corresponding entries are posted to both funds.  <u>Corrective Action in 2011:</u>  The Town will correct with the new accounting system by 12/31/11.	Mayor	06/30/10
11-07(IC)	06/30/09	The Town is not consistent in posting its payments for the bonds and other expenses	No	According to the Town Clerk the bookkeeper posts the Town's invoices to the correct general ledger account. We recommend that the clerk post invoices to the general ledger account. The Clerk should have more information at the time the invoice is entered into payables system than the bookkeeper. The Clerk is checking with the software company to see if vendors can include a default general ledger number to ease some of the inconsistencies.  <u>Corrective Action in 2011:</u>  The Town will correct with the new accounting system by 12/31/11.		06/30/10
11-08(IC)	06/30/09	The NSF check account should be reconciled monthly	No	The general ledger account for NSF checks will be reconciled to the outstanding NSF checks that were returned by the bank that are still on file. Any uncollected NSF checks will be turned over to the District Attorney for collection if the checks are not paid after the writer of the check is notified and has not paid.  <u>Corrective Action in 2011:</u>  The Town will correct with the new accounting system by 12/31/11.	Mayor	06/30/10

11-09(IC)	06/30/09	All invoices are approved by the Mayor and at least one of the council members. However, there is no indication on the invoice or attached to the invoice of this approval. The Town does not use purchase orders.	No	<p>The Town Clerk will start using an approval form for management to sign that includes the general ledger number or numbers where the invoice is to be charged, the date and invoice numbers and a description of the charges. The Town would start using purchase orders based on the information suggested by Louisiana Legislative Auditor's Office Best Practices for purchase orders.</p> <p>The council agreed not to sign checks which were not properly documented.</p> <p><u>Corrective Action in 2011:</u></p> <p>The Town now has the mayor or one of the council members approve invoices. They have not started using purchase orders. The Town is in the process of developing written procedures for purchasing and payables.</p>	Mayor	06/30/10
11-10(IC)	06/30/09	The Town has a general ledger account called Suspense on all Funds. The entries in these accounts are noted as "error correction", "to balance" or "?". The bookkeeping service is making these entries and they are used to reconcile the bank statements.	No	<p>The Town Clerk is to investigate these postings and communicate with the bookkeeping service as to the correct posting of these transactions. Some of these transactions are drafts that the bookkeeping service apparently did not know how to record. The Town needs to review the general ledger on a monthly basis for posting errors.</p> <p><u>Corrective Action in 2011:</u></p> <p>The Town will correct with the new accounting system by 12/31/11</p>	Mayor	06/30/10
11-11(IC)	06/30/09	The accounts receivable system is not reconciled to the general ledger.	No	<p>The Town does not reconcile the transactions between the receivable system and the general ledger. The Town has one billing system for the gas, water, and sewer services. The Town has 13 general ledger numbers to account for these services. We recommend the Town cut down the number of accounts receivable accounts to at the most 3, water, gas and sewer.</p> <p>By bond agreement, the gas department has to maintain a separate general ledger fund, from the water and sewer. We suggest the Town reconcile these accounts to the subsidiary balance on a monthly basis and investigate and correct any differences.</p>	Mayor	06/30/10

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
SUMMARY OF SCHEDULE OF CURRENT YEAR FINDINGS  
AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2011

CONTINUED

<u>REF. NO.</u>	<u>FISCAL YEAR FINDING INITIALLY OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE ACTION TAKEN</u>	<u>CORRECTIVE ACTION PLANNED</u>	<u>NAME OF CONTACT PERSON</u>	<u>ANTICIPATED COMPLETION DATE</u>
11-11(IC)				<p><u>Corrective Action in 2011:</u></p> <p>None. The Town plans to hire an outside party to reconcile their subsidiary systems and to train the new clerk to eventually take over this procedure. The contract labor should start by December.</p>		
11-12(IC)	06/30/09	Because of the set up problems with the general ledger, the Town's expense or expenditures may not be in the correct fund	No	<p>The Town needs to make sure that all invoices and other expenses or expenditures are posted to the correct fund. Procedures are needed to ensure payments are made from the correct fund checking account. The Town had been using a disbursement fund to issue its payables checks while reimbursing these payments from the individual funds. The Town did not have adequate procedures in place to make sure these payments were reimbursed correctly. The Town has since stopped using the disbursement fund. The new procedures call for the checks to be written from the checking account of each fund. This procedure should make it easier for the Town's employees to identify if the proper fund has been used for each payment.</p> <p><u>Corrective Action in 2011:</u></p> <p>None. The Town is in the process of revamping their accounting system to eliminate these problems and hope to have this solved by June 30, 2012.</p>	Mayor	06/30/10
11-13(IC)	06/30/09	Management does not have sufficient capable expertise to prepare financial statements and related footnote disclosures.	No	<p>The Town needs to hire an accountant to help the staff set up and maintain an accrual accounting system.</p> <p><u>Corrective Action in 2011:</u></p> <p>None. The Town will have a contract accountant hired by December.</p>	Mayor	06/30/10

11-14(1C)	06/30/10	There are no written procedures for maintaining, issuing and accounting for traffic tickets. An accounting for the numerical sequence of the traffic tickets/citations is not kept.	No	The Town will develop procedures to maintain the numeric list of police tickets as well as written police ticket procedures.	Mayor	12/31/10
				<u>Corrective Action in 2011:</u>		
				The Town now files their traffic tickets numerically as well as by court date.		

The Town has approved the change of the accounting system as of September, 2011. They also plan to hire an outside CPA firm as an advisor to set up the new accounting system and to correct all the prior and current problems. They will set up a procedures manual. The Town is optimistic that they will have all of the corrections made by June 30, 2012.

**SUMMARY OF SCHEDULE OF PRIOR YEAR FINDINGS  
AND CORRECTIVE ACTION**



TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
SUMMARY OF SCHEDULE OF PRIOR YEAR FINDINGS  
AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2011

<u>REF. NO.</u>	<u>FISCAL YEAR FINDING INITIALLY OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE ACTION TAKEN</u>	<u>CORRECTIVE ACTION PLANNED</u>	<u>NAME OF CONTACT PERSON</u>	<u>ANTICIPATED COMPLETION DATE</u>
<u>INTERNAL CONTROL</u> 09-1(IC)	06/30/09	The Town is unable to issue a Balance Sheet and Income Statement with their current set up of their general ledger. There are number of problems with the set up of the chart of accounts and the interfaces between the sub accounting systems and the general ledger.	No	<p>The Town is currently in contact with the computer software company to solve some of these problems. We suggest the Town look into renumbering and combining some of their general ledger accounts if feasible.</p> <p>The set up problems also include problems between the cash receipts system and the general ledger, the utility deposit system and the general ledger, and the payables system and the general ledger. The Town is hoping these problems are just set up problems and can be solved easily. We recommend the Town get their book-keeping service to discuss what is expected of each party to ensure that the Town can print out financial statements in the future.</p> <p>The computer company is making changes to the account number problem.</p> <p><u>Corrective Action in 2011:</u></p> <p>None. The Town had several meetings with the computer company but no real progress was completed. The Town is changing their accounting system.</p>	Mayor	06/30/10
09-2(IC)	06/30/09	The Town does not deposit their cash receipts on a daily basis. The Town is using a manual receipt system for some of its cash receipt transactions and delays the posting of these receipts to their computerized receipts system to a later date.	No	<p>The Town will make changes to their cash receipts procedures to make sure that the cash receipts are reconciled, posted, and deposited to the bank on a daily basis.</p> <p><u>Corrective Action in 2011:</u></p> <p>The Town started reconciling their cash receipts and making deposits on a daily basis before June 30, 2011. There are still some problems however; those problems deal with the computer</p>	Mayor	06/30/10

				system and should be worked out by the end of fiscal 2012		
09-3(IC)	06/30/09	The Town's bank reconciliations include outstanding deposits and checks that are several months old and should have been corrected or investigated as to why these amounts are still outstanding.	No	The Town will review their bank reconciliation on a monthly basis. Any outstanding items will be investigated and corrected. Bank reconciliations will not include outstanding deposits that are older than one business day from the date they are deposited to the bank. Outstanding checks that are older than one month will be investigated to make sure the checks should not be voided and reissued.	Mayor	06/30/10
				<u>Corrective Action in 2011:</u> At the end of this fiscal year, this is still a problem. This problem is caused by set up problems with the cash receipts system as well as a lack of training for the Town's new employees and communications problems between the Town and the bookkeeping service. The Town has plans to correct the problem with a new accounting system.		
09-4(IC)	06/30/09	The Town's interdepartmental due to/from accounts do not balance.	No	The Town will review these accounts on a periodic basis to make sure all corresponding entries are posted to both funds.	Mayor	06/30/10
				<u>Corrective Action in 2011:</u> The Town will correct with the new accounting system by 12/31/11.		
09-5(IC)	06/30/09	The Town is not consistent in posting its payments for the bonds and other expenses.	No	According to the Town Clerk the bookkeeper posts the Town's invoices to the correct general ledger account. We recommend that the clerk post invoices to the general ledger account. The Clerk should have more information at the time the invoice is entered into payables system than the bookkeeper. The Clerk is checking with the software company to see if vendors can include a default general ledger number to ease some of the inconsistencies.		06/30/10

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
SUMMARY OF SCHEDULE OF PRIOR YEAR FINDINGS  
AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2011

CONTINUED

<u>REF NO</u>	<u>FISCAL YEAR FINDING INITIALLY OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE ACTION TAKEN</u>	<u>CORRECTIVE ACTION PLANNED</u>	<u>NAME OF CONTACT PERSON</u>	<u>ANTICIPATED COMPLETION DATE</u>
				<p><u>Corrective Action in 2011:</u></p> <p>The Town will correct with the new accounting system by 12/31/11</p>		
09-6(1C)	06/30/09	The NSF check account should be reconciled monthly	No	<p>The general ledger account for NSF checks will be reconciled to the outstanding NSF checks that were returned by the bank that are still on file. Any uncollected NSF checks will be turned over to the District Attorney for collection if the checks are not paid after the writer of the check is notified and has not paid</p>	Mayor	06/30/10
				<p><u>Corrective Action in 2011:</u></p> <p>The Town will correct with the new accounting system by 12/31/11.</p>		
09-7(1C)	06/30/09	All invoices are approved by the Mayor and at least one of the council members. However, there is no indication on the invoice or attached to the invoice of this approval. The Town does not use purchase orders	No	<p>The Town Clerk will start using an approval form for management to sign that includes the general ledger number or numbers where the invoice is to be charged, the date and invoice numbers and a description of the charges. The Town would start using purchase orders based on the information suggested by Louisiana Legislative Auditor's Office Best Practices for purchase orders.</p> <p>The council agreed not to sign checks which were not properly documented</p>	Mayor	06/30/10
				<p><u>Corrective Action in 2011:</u></p> <p>The Town now has the mayor or one of the council members approve invoices. They have not started using purchase orders. The Town is in the process of developing written procedures for purchasing and payables.</p>		

09-8(IC)	06/30/09	The Town has a general ledger account called Suspense on all Funds. The entries in these accounts are noted as "error correction", "to balance" or "??". The bookkeeping service is making these entries and they are used to reconcile the bank statements	No	<p>The Town Clerk is to investigate these postings and communicate with the bookkeeping service as to the correct posting of these transactions. Some of these transactions are drafts that the bookkeeping service apparently did not know how to record. The Town needs to review the general ledger on a monthly basis for posting errors.</p> <p><u>Corrective Action in 2011:</u></p> <p>The Town will correct with the new accounting system by 12/31/11.</p>	Mayor	06/30/10
09-9(IC)	06/30/09	The accounts receivable system is not reconciled to the general ledger.	No	<p>The Town does not reconcile the transactions between the receivable system and the general ledger. The Town has one billing system for the gas, water, and sewer services. The Town has 13 general ledger numbers to account for these services. We recommend the Town cut down the number of accounts receivable accounts to at the most 3, water, gas and sewer.</p> <p>By bond agreement, the gas department has to maintain a separate general ledger fund, from the water and sewer. We suggest the Town reconcile these accounts to the subsidiary balance on a monthly basis and investigate and correct any differences.</p> <p><u>Corrective Action in 2011:</u></p> <p>None. The Town plans to hire an outside party to reconcile their subsidiary systems and to train the new clerk to eventually take over this procedure. The contract labor should start by December.</p>	Mayor	06/30/10
09-10(IC)	06/30/09	Because of the set up problems with the general ledger, the Town's expense or expenditures may not be in the correct fund.	No	<p>The Town needs to make sure that all invoices and other expenses or expenditures are posted to the correct fund. Procedures are needed to ensure payments are made from the correct fund checking account. The Town had been using a disbursement fund to issue its payables checks while reimbursing these payments from the individual funds. The Town did not have adequate procedures in place to make sure these payments were reimbursed correctly. The Town has since stopped using the disbursement fund.</p>	Mayor	06/30/10

TOWN OF GLENMORA  
GLENMORA, LOUISIANA  
SUMMARY OF SCHEDULE OF PRIOR YEAR FINDINGS  
AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2011

CONTINUED

<u>REF. NO.</u>	<u>FISCAL YEAR FINDING INITIALLY OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE ACTION TAKEN</u>	<u>CORRECTIVE ACTION PLANNED</u>	<u>NAME OF CONTACT PERSON</u>	<u>ANTICIPATED COMPLETION DATE</u>
				<p>The new procedures call for the checks to be written from the checking account of each fund. This procedure should make it easier for the Town's employees to identify if the proper fund has been used for each payment</p> <p><u>Corrective Action in 2011:</u></p> <p>None. The Town is in the process of revamping their accounting system to eliminate these problems and hope to have this solved by June 30, 2012</p>		
09-11(IC)	06/30/09	Management does not have sufficient capable expertise to prepare financial statements and related footnote disclosures.	No	<p>The Town needs to hire an accountant to help the staff set up and maintain an accrual accounting system.</p> <p><u>Corrective Action in 2011:</u></p> <p>None. The Town will have a contract accountant hired by December.</p>	Mayor	06/30/10
10-01(IC)	06/30/10	The prior year recommendations were not corrected. It appears that the personnel hired does not have the accounting knowledge to make the corrections. The Town needs to find an accountant with governmental knowledge, who would be able to supervise the employees as to the procedures to correct the prior year finding. The supervisor should work with the Town on a monthly basis, until the accounting procedures are in place and the employees have gained enough knowledge to perform those procedures	Yes	<p>The Town Clerk is no longer employed by the Town. The Mayor is advertising for a Town Clerk with accounting experience. They plan to hire the best available person. Depending on experience, they are planning to hire an assistant to review the monthly accounting to make sure that their books and records are correct for future years.</p> <p><u>Corrective Action Taken in 2011:</u></p> <p>The Town promoted the assistant clerk to the Town Clerk position. They hired an outside party to train the new clerk.</p>	Mayor	12/31/10
10-02(IC)	06/30/10	There are no written procedures for maintaining, issuing and accounting for traffic tickets. An accounting for the numerical sequence of the	No	The Town will develop procedures to maintain the numeric list of police tickets as well as written police ticket	Mayor	12/31/10

		traffic tickets/citations is not kept.		procedures.		
				<u>Corrective Action Taken in 2011:</u>		
				The Town now files their police tickets in numeric order. The Town is in the process of revising their policy manual.		
10-03(IC)		The Fire Department is required to make monthly transfers to the Sinking Fund. These payments has not been consistently made in the year ended June 30, 2010	Yes	<u>Corrective Action Taken in 2011:</u>	Mayor	12/31/10
				The transfers were made by the end of June 30, 2011.		
<u>COMPLIANCE</u>						
09-12( C )		The Town's actual revenues and expenditures are over the budgeted amounts by more than 5% as required by R.S. 39:1311.	Yes	The Town does not monitor their budget. As soon as the general ledger problems are solved, the council will be given at a minimum a monthly statement comparing actual to budgeted amounts.	Mayor	06/30/10
				<u>Corrective Action Taken in 2011:</u>		
				The Town amended their budget on October 17, 2011 to comply with R.S. 39:1311.		
09-13( C )		The Town did not issue their year end financial statements by the due date prescribed by Louisiana statutes.	Yes	The Town will have the problems with their accounting software solved by the end of this year.	Mayor	06/30/10
<u>MISCELLANEOUS</u>						
10-04(1M)	06/30/10	The cash accounts should be closed for the Sewer District # 1 in the amount of \$2,638.15 and the Disbursement Fund in the amount of \$497.77. These funds are owed to the Utilities Fund	Yes	The Town will transfer the monies to the Utilities Fund and close the accounts.	Mayor	12/31/10
				<u>Corrective Action Taken in 2011:</u>		
				These accounts were closed and all monies were transferred.		