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**TOWN OF GRAND ISLE
LOUISIANA**

FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2000

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 02/14/01

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, as of and for the fiscal year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the fiscal year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 15, 2000 on my consideration of the Town's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and grants. 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 my audit.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of the Town taken as a whole. The Combining and Individual Fund Statements and Schedules and the Other Supplementary Information, including the Schedule of Expenditures of Federal Awards, as listed in the table of contents, are presented for purposes of additional analysis and as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the general purpose financial statements of the Town of Grand Isle, Louisiana. This information, except for those schedules marked unaudited, on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, are fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Paul C. Rivier, CPA

December 15, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF GRAND ISLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
ASSETS		
Cash and cash equivalents	\$ 458,925	\$ 473,727
Receivables, net	199,585	158,742
Due from other funds	10,960	58,745
Inventory, at cost	0	0
Prepaid items	27,279	40,715
Restricted assets		
Cash and cash equivalents	0	0
Due from other governments	0	0
Property, plant and equipment, net	0	0
Unamortized bond issuance costs	0	0
Amounts to be provided for retirement of general long-term debt	0	0
TOTAL ASSETS	<u>\$ 696,749</u>	<u>\$ 731,929</u>
LIABILITIES, EQUITY AND OTHER CREDITS		
Liabilities		
Accounts payable	\$ 49,346	\$ 32,405
Accrued salaries and related liabilities	12,375	785
Due to other funds	35,067	44,020
Appearance bond deposits	4,395	0
Deferred revenue	0	0
Due to taxing bodies and others	0	0
Relief funds payable	0	0
Payable from restricted assets		
Accounts and retainages payable	0	0
Customers' deposits	0	0
Due to other funds	0	0
Revenue bond anticipation notes payable	0	0
Capital leases payable	0	0
Water revenue bonds payable	0	0
Installment purchases	0	0
TOTAL LIABILITIES	<u>101,183</u>	<u>77,210</u>
Equity and Other Credits		
Investment in general fixed assets	0	0
Contributed capital	0	0
Retained earnings		
Reserved	0	0
Unreserved	0	0
Fund Balance		
Reserved	27,278	85,036
Unreserved		
Designated	0	0
Undesignated	568,288	569,683
TOTAL EQUITY	<u>595,566</u>	<u>654,719</u>
TOTAL EQUITY AND OTHER CREDITS	<u>595,566</u>	<u>654,719</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 696,749</u>	<u>\$ 731,929</u>

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
		ENTERPRISE FUNDS	AGENCY	
\$ 272,823	\$ 7,565	\$ 0	\$ 0	\$ 1,213,040
181,304	0	0	0	539,631
31,640	0	0	0	101,345
41,100	0	0	0	41,100
28,451	0	0	0	96,445
2,258,161	0	0	0	2,258,161
276,188	0	0	0	276,188
17,066,954	0	3,574,303	0	20,641,257
51,314	0	0	0	51,314
0	0	0	48,818	48,818
<u>\$ 20,207,935</u>	<u>\$ 7,565</u>	<u>\$ 3,574,303</u>	<u>\$ 48,818</u>	<u>\$ 25,267,299</u>
\$ 73,850	\$ 0	\$ 0	\$ 0	\$ 155,601
1,782	0	0	0	14,942
17,746	0	0	0	96,833
0	0	0	0	4,395
0	0	0	0	0
0	0	0	0	0
0	7,565	0	0	7,565
885,431	0	0	0	885,431
85,652	0	0	0	85,652
4,512	0	0	0	4,512
0	0	0	0	0
21,241	0	0	42,215	63,456
9,225,000	0	0	0	9,225,000
0	0	0	6,603	6,603
<u>10,315,214</u>	<u>7,565</u>	<u>0</u>	<u>48,818</u>	<u>10,549,990</u>
0	0	3,574,303	0	3,574,303
8,768,150	0	0	0	8,768,150
160,844	0	0	0	160,844
963,727	0	0	0	963,727
0	0	0	0	112,314
0	0	0	0	0
0	0	0	0	1,137,971
<u>9,892,721</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,143,006</u>
<u>9,892,721</u>	<u>0</u>	<u>3,574,303</u>	<u>0</u>	<u>14,717,309</u>
<u>\$ 20,207,935</u>	<u>\$ 7,565</u>	<u>\$ 3,574,303</u>	<u>\$ 48,818</u>	<u>\$ 25,267,299</u>

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TOWN OF GRAND ISLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	
REVENUES			
Taxes	\$ 517,880	\$ 22,711	\$ 540,591
Licenses and permits	93,824	0	93,824
Intergovernmental	85,078	213,211	298,289
Gaming fees and commissions	315,784	0	315,784
Fines and forfeitures	110,278	4,869	115,147
Charges for services	279,682	44,076	323,758
Miscellaneous	89,526	22,003	111,529
TOTAL REVENUES	<u>1,492,052</u>	<u>306,870</u>	<u>1,798,922</u>
EXPENDITURES			
Current			
General government	523,624	0	523,624
Public Safety	377,707	5,314	383,021
Public works	425,820	316,266	742,086
Health and welfare	0	55,274	55,274
Culture, recreation and tourism	31,021	190,872	221,893
TOTAL EXPENDITURES	<u>1,358,172</u>	<u>567,726</u>	<u>1,925,898</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	133,880	(260,856)	(126,976)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
Proceeds from capital leases	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	133,880	(260,856)	(126,976)
FUND BALANCES			
Beginning of year	461,686	915,575	1,377,261
Residual equity transfers	0	0	0
End of year	\$ <u>595,566</u>	\$ <u>654,719</u>	\$ <u>1,250,285</u>

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ACTUAL AND BUDGET -
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	GENERAL FUND		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 517,880	\$ 440,500	\$ 77,380
Licenses and permits	93,824	85,000	8,824
Intergovernmental	85,078	83,161	1,917
Gaming fees and commissions	315,784	325,000	(9,216)
Fines and forfeitures	110,278	119,600	(9,322)
Charges for services	279,682	273,400	6,282
Miscellaneous	89,526	102,400	(12,874)
TOTAL REVENUES	<u>1,492,052</u>	<u>1,429,061</u>	<u>62,991</u>
EXPENDITURES			
Current			
General government	523,624	568,681	45,057
Public Safety	377,707	391,511	13,804
Public works	425,820	437,875	12,055
Health and welfare	0	0	0
Culture, recreation and tourism	31,021	30,994	(27)
TOTAL EXPENDITURES	<u>1,358,172</u>	<u>1,429,061</u>	<u>70,889</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>133,880</u>	<u>0</u>	<u>133,880</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
Proceeds from capital leases	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>133,880</u>	<u>0</u>	<u>133,880</u>
FUND BALANCES			
Beginning of year	461,686	461,686	0
Residual equity transfers	0	0	0
End of year	<u>\$ 595,566</u>	<u>\$ 461,686</u>	<u>\$ 133,880</u>

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE FUNDS			TOTALS (MEMORANDUM ONLY)		
ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 22,711	\$ 25,000	\$ (2,289)	\$ 540,591	\$ 465,500	\$ 75,091
0	0	0	93,824	85,000	8,824
213,211	198,200	15,011	298,289	281,361	16,928
0	0	0	315,784	325,000	(9,216)
4,869	0	4,869	115,147	119,600	(4,453)
44,076	46,000	(1,924)	323,758	319,400	4,358
22,003	18,800	3,203	111,529	121,200	(9,671)
<u>306,870</u>	<u>288,000</u>	<u>18,870</u>	<u>1,798,922</u>	<u>1,717,061</u>	<u>81,861</u>
0	0	0	523,624	568,681	45,057
5,314	0	(5,314)	383,021	391,511	8,490
316,266	325,000	8,734	742,086	762,875	20,789
55,274	49,300	(5,974)	55,274	49,300	(5,974)
190,872	227,400	36,528	221,893	258,394	36,501
<u>567,726</u>	<u>601,700</u>	<u>33,974</u>	<u>1,925,898</u>	<u>2,030,761</u>	<u>104,863</u>
<u>(260,856)</u>	<u>(313,700)</u>	<u>52,844</u>	<u>(126,976)</u>	<u>(313,700)</u>	<u>186,724</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(260,856)	(313,700)	52,844	(126,976)	(313,700)	186,724
915,575	915,575	0	1,377,261	1,377,261	0
0	0	0	0	0	0
<u>\$ 654,719</u>	<u>\$ 601,875</u>	<u>\$ 52,844</u>	<u>\$ 1,250,285</u>	<u>\$ 1,063,561</u>	<u>\$ 186,724</u>

TOWN OF GRAND ISLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINED SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
OPERATING REVENUES	
Water sales	\$ 541,451
Gas sales	159,976
Service charges	2,815
Installation charges	10,997
Delinquent penalties	16,542
Miscellaneous	893
Total Operating Revenues	<u>732,674</u>
OPERATING EXPENSES	
Personal services	150,572
Contracted services	502,879
Materials and supplies	25,540
General and administrative	242,393
Depreciation and amortization	122,089
Depreciation on contributed assets	91,617
Total Operating Expenses	<u>1,135,090</u>
OPERATING INCOME (LOSS)	<u>(402,416)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	45,186
Interest expense	(1,703)
amortization of bond issuance costs	(431)
Ad valorem taxes	91,120
Intergovernmental	
State - Rural Development Grants	0
State - Interim Emergency Board Grants	183,337
State - DOTD highway maintenance	12,756
Total Non-Operating Revenues (Expenses)	<u>330,265</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(72,151)
OPERATING TRANSFERS IN	0
OPERATING TRANSFERS OUT	0
NET INCOME (LOSS)	<u>(72,151)</u>
Add Back: Depreciation on contributed assets	91,617
RETAINED EARNINGS	
Beginning of Year, as Restated	1,105,105
End of Year	<u>\$ 1,124,571</u>

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINED STATEMENT OF CASH FLOWS
 WATERWORKS AND GAS UTILITIES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	\$ (402,416)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
<i>Depreciation and amortization</i>	122,089
Depreciation on contributed assets	91,617
(Increase) decrease in assets:	
Accounts receivable	(88,233)
Other receivables	0
Inventory	11,892
Prepays	(2,896)
Increase (decrease) in liabilities:	
Accounts payable	42,864
Accrued salaries	(847)
Due to other funds	13,871
Customer deposits	(677)
Net adjustments	<u>175,783</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(226,633)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Ad valorem taxes	91,120
Receipts under DOTD maintenance contract	12,756
Receipts from Interim Emergency Board Water Shortage grants	251,819
Operating transfers in	0
Operating transfers out	0
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>355,695</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Receipts under Rural Development grants	0
Receipts under State Capital Outlay program (project no. 50-MB1-97B-1)	4,393,193
Receipts under Environmental Protection Agency Grant	3,045,000
Proceeds from Revenue Bond Anticipation Notes	7,934,889
Payments on Revenue Bond Anticipation Notes	(8,977,889)
Interest paid on Revenue Bond Anticipation Notes	(203,217)
Payments of bond issuance costs for Revenue Bonds	(51,745)
Proceeds from Water Revenue Bonds, Series 2000	9,225,000
Payments on construction of water pipeline	(13,537,033)
Advance from Jefferson Parish for portion of pipeline	2,650,000
Payments to vendors for construction of Parish portion of pipeline	(2,470,470)
Refund paid to Jefferson Parish for remaining funds on hand	(49,505)
Principal paid on capital lease for equipment	(6,357)
Interest paid on capital lease for equipment	(1,703)
Purchases of property and equipment	(21,924)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>1,928,239</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>45,186</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,102,487
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR - AS RESTATED	428,497
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u><u>2,530,984</u></u>
BREAKDOWN OF CASH AND CASH EQUIVALENTS PER BALANCE SHEET	
Current Assets	
Cash and cash equivalents	\$ 272,823
Restricted Assets	
Cash and cash equivalents	2,258,161
	\$ <u><u>2,530,984</u></u>

The accompanying notes are an integral part of this statement.

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TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the TOWN OF GRAND ISLE, LOUISIANA (the "Town") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

1. Reporting Entity

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

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

Playground Town No. 16 of Jefferson Parish

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

2. Description of Activities

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

3. Fund Accounting

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Governmental funds are used to account for all or most of the Town's general activities, including the collection and disbursement of earmarked monies (special revenue funds), and the acquisition or construction of general fixed assets (capital project funds). The general fund is used to account for all activities of the town not accounted for in some other fund.

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

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

4. Basis of Accounting

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

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

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes and sale taxes are considered available if they are collected within 60 days after year end. A one year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due.

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

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

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

5. Budgets and Budgetary Accounting

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

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

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

6. Encumbrances

Encumbrance accounting is not utilized by the Town.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Cash and Investments

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

In accordance with GASB Statement No. 31, investments are generally stated at fair value, unless the Town invests in "money market" securities which have a maturity date of less than 90 days at the balance sheet date. If the investments mature within 90 days, they are stated at cost or amortized cost. Louisiana Revised Statutes (LSA-RS 33:2955) authorize the Town to invest in (1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government, (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, (3) direct security repurchase agreements of any federal book entry only securities, (4) time certificates of deposits of state banks organized under the laws of Louisiana and national banks having their principal offices in the state of Louisiana, savings accounts or shares of savings and loan associations, (5) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies, or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

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

8. Short-term Interfund Receivables/Payables

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

9. Inventories

The cost of material and supplies acquired by governmental funds are recorded as expenditures at the time of purchase. The inventory of such materials and supplies at June 30, 2000 would not be material to the financial statements. The inventory of the Proprietary Fund is stated at the lower of cost or market, determined by a first-in, first-out method.

10. Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2000 are recorded as prepaid items. Prepaid insurance represents the majority of this balance.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Unamortized Bond Issuance Costs

Bond issuance costs relating to the Revenue Bonds are deferred and will be amortized/expensed over the life of the bonds. Amortization will occur over the next 40 years.

12. Restricted Assets

Funds on hand which represent "customer meter deposits" are classified as restricted assets on the balance sheet of the enterprise fund since these funds may only be used for the payment of any outstanding water bills when customers discontinue service. Special accounts set up in accordance with the Bond Anticipation Notes and the Water Revenue Bonds, Series 2000 bond indenture are also classified as restricted assets on the balance sheet. These accounts include a "construction account", a "debt service - sinking fund", a "debt service - reserve fund", and a "reserve for depreciation and contingencies fund".

13. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed asset account group. All purchased fixed assets are valued at cost, where historical records are available, and at estimated historical costs where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, rock jetties, drainage and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

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

14. Compensated Absences

In both the governmental and proprietary fund types, annual and sick leave are expensed when claimed by the employee rather than when earned. In the opinion of management, the liability due at June 30, 2000 would not be material to the financial statements.

15. Long-term Obligations

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. Fund Equity

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

17. Interfund Transactions

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

18. Total Columns on Combined Statements

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

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET

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

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

Budgeted amounts presented in the financial statements are as originally adopted or as finally amended by the Board of Aldermen by Ordinance No. 723.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds had expenditures on a budgetary basis in excess of appropriations for the fiscal year ended June 30, 2000:

	Expenditures	Budget	Excess
General Fund			
Sanitation Department	\$ 322,633	\$ 312,800	\$ (9,833)
Tourism Department	31,021	30,994	(27)
Special Revenue Funds			
Seizure and Forfeiture	5,314	0	(5,314)
Mosquito Control	55,274	49,300	(5,974)
Recreation Fund	1,440	0	(1,440)

Expenditures exceeded appropriations in the for the following reasons: the Sanitation Department exceeded budget due to the expenditure related to an increase in the hauling fee late in the year; and the Tourism Department exceeded expenditures in the travel line-item. The Seizure and Forfeiture Fund incurred expenditures in excess of budget due to an unexpected seizure providing funds. The Mosquito Control Fund exceeded budget due to additional spraying/larviciding needed. The Recreation Fund incurred some unanticipated rental expenditures. All of the excesses noted above were absorbed by available fund balances/retained earnings.

NOTE C - DEPOSITS AND INVESTMENTS

At June 30, 2000, the carrying amount of the Town's deposits was \$2,767,0865 and the bank balance was \$2,845,986. The bank balance is categorized as follows:

Category	Bank Balance
Amount insured by FDIC, or collateralized with securities held by the Town's agent in the Town's name	\$ 2,375,911
Amount collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name	0
Uncollateralized (includes balance that is collateralized with securities held by the pledging financial institution but not in the Town's name)	470,075
Total Bank Balance	\$ 2,845,986

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

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

The Town's investments consist of shares in the Louisiana Asset Management Pool (LAMP). Because of the liquidity of the pool, the investments are shown on the balance sheet as cash equivalents. The balance as of June 30, 2000 for all funds is \$704,115. Because this investment is not evidenced by securities that exist in physical or book entry form, it is not categorized.

NOTE D - RECEIVABLES

Receivables at June 30, 2000 consist of the following:

	General	Special Revenue	Enterprise	Total
Receivables				
Accounts				
Utilities	\$ 0	\$ 0	\$ 173,633	\$ 173,633
Grass liens	0	23,800	0	23,800
Property taxes	0	0	0	0
Franchise taxes	18,582	0	0	18,582
Intergovernmental				
Sales taxes	131,808	8,899	0	140,707
Licenses and permits	5,950	0	0	5,950
Beer taxes	3,121	0	0	3,121
Tobacco taxes	1,892	0	0	1,892
Tourism - Act 18	2,851	0	0	2,851
Gaming fees and commissions	19,733	0	0	19,733
DOTD - highway maintenance	0	0	6,378	6,378
LCLJE - grants	6,379	0	0	6,379
State Beach Cleaning Appropriation	0	48,000	0	48,000
Playground Town No 16	0	78,043	0	78,043
Parish Transportation Funds	6,103	0	0	6,103
Other	3,166	0	2,293	5,459
Subtotal	199,585	158,742	182,304	540,631
Less allowance for uncollectibles	0	0	(1,000)	(1,000)
Net receivables	<u>\$ 199,585</u>	<u>\$ 158,742</u>	<u>\$ 181,304</u>	<u>\$ 539,631</u>

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE D - RECEIVABLES (CONTINUED)

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

Included within the accounts receivable of the Waterworks and Gas Utilities Enterprise Funds is \$55,146 (\$49,131 for water and \$6,015 for gas) of unbilled receivables. This amount represents approximately one-half of the July 31, 2000 water and gas bills which are for the actual usage of water and gas in the last half of June 2000.

The balance in the due from other governments account in the Waterworks Utility Enterprise fund is made up of \$206,327 due from the State Capital Outlay Program and \$69,861 in interest rebates due in connection with the Water Pipeline construction project.

Also included above is \$78,043 due for Playground District No. 16. This amount represents the balance of parish dedicated ad valorem taxes collected by the Parish on the Town's behalf under a local cooperative agreement.

NOTE E - RESTRICTED ASSETS

The balances of the Waterworks Utility Enterprise Fund's restricted assets accounts are as follows:

Restricted Asset Account	
Water Pipeline Construction Fund	\$ 2,007,153
Water Pipeline Debt Service - Sinking Fund	146,211
Water Pipeline Debt Service - Reserve Fund	7,324
Water Pipeline - Reserve for Depreciation and Contingencies	7,309
Water Meter Deposit Fund	90,164
Total	\$ 2,258,161

NOTE F - FIXED ASSETS

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

Asset Category	Balance at Beginning of year	Additions	Deletions	Balance at End of Year
Land	\$ 286,228	\$ 0	\$ 0	\$ 286,228
Buildings and improvements	1,601,817	0	0	1,601,817
Furniture and equipment	414,152	8,898	0	423,050
Heavy equipment	1,042,902	0	0	1,042,902
Vehicles	219,333	973	0	220,306
Total	\$ 3,564,432	\$ 9,871	\$ 0	\$ 3,574,303

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE F - FIXED ASSETS (CONTINUED)

Below is a summary of the sources of fixed assets:

Source of Funding	Amount
Investment from:	
General Fund	\$ 1,074,479
Drainage District No. 1	549,095
Recreation Fund	193,561
Community Center and Playground District No. 16	735,762
Mosquito Control Fund	8,911
Capital Projects Fund	6,500
Other - Federal Revenue Sharing	131,713
Other - Federal Grants	35,523
Other - Parish Grants	708,107
Other - Unknown	130,652
TOTAL	<u>\$ 3,574,303</u>

The following is a summary of proprietary fund property, plant and equipment at June 30, 2000:

Asset Type	Waterworks Utility	Gas Utility	Total
Land	\$ 17,051	\$ 0	\$ 17,051
Buildings and improvements	285,145	0	285,145
Furniture and fixtures	99,028	0	99,028
Vehicles and heavy equipment	211,047	4,186	215,233
Utility distribution systems and lines			
Water transmission system	16,147,048	0	16,147,048
Water distribution system	589,277	0	589,277
Water tank	1,005,000	0	1,005,000
Water and gas meters	137,320	62,250	199,570
Gas distribution system	0	436,068	436,068
Deltide 6" gas line	0	12,660	12,660
Lee Street extension	79,721	0	79,721
	<u>18,570,637</u>	<u>515,164</u>	<u>19,085,801</u>
Less: accumulated depreciation	(1,700,601)	(318,246)	(2,018,847)
Net Property, Plant and Equipment	<u>\$ 16,870,036</u>	<u>\$ 196,918</u>	<u>\$ 17,066,954</u>

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE F - FIXED ASSETS (CONTINUED)

Useful lives used for computing depreciation are as follows:

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

The construction of the new water pipeline was completed during the year. The total capitalized cost of this project is \$15,789,246, which includes \$133,356 of capitalized interest. The project was funded from a variety of sources. \$5,000,000 was appropriated from the State Capital Outlay Program (\$500,000 available from Priority 1 and \$4,500,000 in Priority 5) to help pay for the design and construction of the waterline (Project No. 50-MB1-97B-1). To date, \$4,934,016 has been received and/or requested. In addition, the Town received \$8,977,889 in drawdowns from the Revenue Bond Anticipation Notes (BAN's) provided through the Louisiana Facilities Planning Department. These notes were provided by the USDA Rural Utilities Services (RUS) Division under the Water 2000 Act (see Note G). These BAN's were paid off with the proceeds of the \$9,225,000 Water Revenue Bonds, Series 2000 issued on February 25, 2000. The Town also received \$3,045,000 from the US Environmental Protection Agency under the State and Tribal Assistance Grant program.

NOTE G - LONG-TERM DEBT

I. Capital Leases

The Town has entered into lease agreements as lessee for financing the acquisition of a trash truck and a ditch witch trencher. These lease agreements qualify as capital leases for accounting purposes (bargain purchase options) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of June 30, 2000:

	General Fixed Assets Account Group	Waterworks Utilities Enterprise Fund
Trash Truck	\$ 63,291	\$ 0
Ditch Witch Trencher and trailer	0	34,009
Total	\$ 63,291	\$ 34,009

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE G - LONG-TERM DEBT (CONTINUED)

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2000.

<u>Fiscal Year Ending June 30,</u>	<u>General Long-term Debt</u>	<u>Waterworks Utilities Enterprise Fund</u>
2001	\$ 14,304	\$ 8,060
2002	14,304	8,060
2003	14,304	7,388
2004	3,576	0
2005	0	0
Total minimum lease payments	46,488	23,508
Less: amount representing interest	(4,273)	(2,267)
Present value of future minimum lease payments	<u>\$ 42,215</u>	<u>\$ 21,241</u>

2. **Installment Purchases**

The Town purchased two police cars in 2000 through the Jefferson Parish Sheriff's Office. The Town will reimburse the Sheriff's Office for the cars on an installment basis. At June 30, 2000, the Town owes \$6,603 on this purchase.

3. **Changes in General Long-Term Liabilities**

The following is a summary of the changes in general long-term obligations for the fiscal year ended June 30, 2000:

<u>Type of Debt</u>	<u>Balance, July 1, 1999</u>	<u>Additions (Reductions)</u>	<u>Balance, June 30, 2000</u>
Capital leases	\$ 53,664	\$ (11,449)	\$ 42,215
Installment purchases	13,205	(6,602)	6,603
Totals	<u>\$ 66,869</u>	<u>\$ (18,051)</u>	<u>\$ 48,818</u>

4. **Revenue Bond Anticipation Notes (BAN's)**

As noted in Note E, the Town constructed a water pipeline from Lafitte to Grand Isle at a cost of approximately \$15,789,246. A master note agreement was signed with the Department of Agriculture's Rural Utilities Services (RUS) Department that provided construction loans up to \$9,225,000. The loans were being provided by the Water 2000 Act through the Louisiana Facilities Planning Department. During the current year, \$7,934,889 was received, bringing the total amount received to date to \$8,977,889. These BANS were paid off on February 25, 2000 with the proceeds of the Water Revenue Bonds, Series 2000. Interest of \$203,217 was paid, however, a rebate of \$69,861 is due back because of the actual interest rate of the program being lowered to 4.75%.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2000

NOTE G - LONG-TERM DEBT (CONTINUED)

5. Water Revenue Bonds, Series 2000

The Waterworks Utilities Enterprise Fund issued Water Revenue Bonds on February 25, 2000 totaling \$9,225,000 with an interest rate of 4.75% per annum. The proceeds of the revenue bonds were used to pay off the BANS noted above. The revenue bonds are secured and payable solely by a pledge of the income and revenues of the Waterworks Utility System after provision has been made for payment of reasonable and necessary costs and expenses of operating and maintaining the system. The first two annual payments (due on February 25, 2001 and 2002) represent interest only. Beginning March 25, 2002, and continuing through February 25, 2040, monthly payments of \$43,819, representing principal and interest, are due.

Revenue bond debt service requirements to maturity, including interest of \$11,632,875, are as follows:

Year Ending June 30,	Amount
2001	\$ 438,187
2002	438,188
2003	525,825
2004	525,825
2005	525,825
Thereafter	18,403,875
Total	<u>\$ 20,857,725</u>

There are a number of limitations and restrictions contained in the bond indenture which the Town was in compliance with during the fiscal year ending June 30, 2000.

NOTE H - CONTRIBUTED CAPITAL

The changes in the Waterworks Utility Enterprise fund contributed capital accounts were as follows:

	Balance June 30, 1999	Contributions	Amortization	Balance June 30, 2000
<i>Municipal Government</i>	\$ 328,000	\$ 0	\$ 0	\$ 328,000
State Capital Outlay - Water Pipeline Project	652,132	4,281,885	(41,117)	4,892,900
EPA Grant - Water Pipeline Project	0	3,045,000	(25,375)	3,019,625
<i>Federal Government</i>	552,750	0	(25,125)	527,625
Balance at June 30, 2000	<u>\$ 1,532,882</u>	<u>\$ 7,326,885</u>	<u>\$ (91,617)</u>	<u>\$ 8,768,150</u>

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2000

NOTE 1 - RESERVATION AND DESIGNATIONS OF FUND BALANCES/RETAINED EARNINGS

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

1. Fund Balance - Reserved for Prepaid Items

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

2. Fund Balance - Reserved for Drainage Pumps

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

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

This designation represents the budgeted deficiency of revenues over expenditures in the 00-01 budget.

The following reservations of the Waterworks Utility Fund's retained earnings are required by bond covenants :

1. Reserve for Debt Service - Sinking

This reserve represents the amount of money set aside to pay the next principal and/or interest due. For the first two years, the monthly transfer is \$36,516. After March 20, 2002, the monthly payment is increased to \$43,819.

2. Reserve for Debt Service - Reserve

This reserve represents the amount of money set aside to pay principal and/or interest on the Water Revenue Bonds should the Sinking Fund be unable to pay. For the first two years, the Waterworks Utility fund is required to transfer \$1,826 per month (i.e., 5% of the Sinking fund payments) into this fund. After March 20, 2002, the monthly transfer is increased to \$2,191. Money is to be deposited into this fund until the Reserve Requirement of \$525,825 is accumulated.

3. Reserved for Depreciation and Contingencies

This fund is established to accumulate monies to care for extensions, additions, improvements, renewals and replacements necessary to keep the system operating properly. For the first two years, the Waterworks Utility fund is to transfer is \$1,826 per month into this fund. After March 20, 2002, the transfer is increased to \$2,191 until the \$525,585 is accumulated in the Reserve fund. At that time, the transfer is increased to \$4,382.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE J - TAXES

1. Sales Tax

The total sales tax levied on purchases within the Town limits during the fiscal year ended June 30, 2000 was 8 3/4 percent. Of this 8 3/4 percent, 4 percent is levied by the State, 1 1/2 percent is levied by the Jefferson Parish Public School System (a separate entity), 3 percent is levied by the Parish of Jefferson (a separate entity), and 1/4 percent is levied by the Jefferson Parish Sheriff's Office.

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

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

2. Ad Valorem Tax

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

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

The number of mills levied on the 1999 tax rolls was 7.00 for the General Fund and 5.00 for the Waterworks and Gas Utilities funds. These funds split the 5.00 mills, with 80 percent going to the Waterworks fund and 20 percent going to the Gas fund.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2000

NOTE K- INTERFUND TRANSACTIONS

RECEIVABLES/PAYABLES

Individual balances due from/to other funds at June 30, 2000 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 10,960	\$ 35,067
Special Revenue Funds		
Drainage District No. 1	35,422	0
Erosion Control Fund	0	9,650
Mosquito Control Fund	639	414
Community Center and Playground District No. 16	6,142	898
Riverboat Gambling Admission Fees	16,542	33,058
	<u>58,745</u>	<u>44,020</u>
Enterprise Funds		
Waterworks Utilities Fund		
Unrestricted	13,894	17,746
Restricted	0	4,512
Gas Utilities Fund	17,746	0
	<u>31,640</u>	<u>22,258</u>
Totals	<u>\$ 101,345</u>	<u>\$ 101,345</u>

NOTE L - RISK MANAGEMENT

The Town is exposed to various risks of loss from personal injury; torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect itself from these losses, the Town purchases various types of commercial insurance. The Town pays premiums for coverage on general liability, auto, and excess liability. Coverage limits per occurrence is \$1,000,000, with an aggregate limit of \$1,000,000 on general liability claims and \$1,000,000 on excess liability claims.

The Town also carries commercial insurance for other risks of loss, including law enforcement officer's liability, public officials errors and omission, workers' compensation, employee health and accident insurance, fire damage, etc. In each policy, the Town is responsible for the applicable deductible.

Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2000

NOTE M - COMMITMENTS AND CONTINGENCIES

1. Commitment - Deltide 6-inch Gas Line

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

At June 30, 1996, a liability of \$49,205 was recorded in the Gas Utilities Enterprise Fund for the amounts due under this lease agreement through that date. During the fiscal year ended June 30, 1998, the Town made one payment of \$24,192, leaving a balance due of \$25,013. While the lease term officially expired on August 11, 1992, the Town has continued using the gas line pending the formulation of a new lease agreement and would therefore still be responsible for payments under the lease.

2. Federal Financial Assistance

The Town participates in certain federal financial assistance programs. Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal and state governments. Any disallowed costs, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

3. Civil Penalties - Landfill

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

GASB Codification Section L10 requires a government who owns or operates a municipal landfill to recognize the closure and post-closure care costs over the expected life of the landfill rather than after closure takes place. Since the Town's dump site was effectively closed as of June 30, 2000, a liability for closure costs should have been accrued. It is management's assertion that the liability is immaterial to the financial statements and has therefore not been accrued.

To minimize the cost to the Town, a cooperative endeavor agreement has been entered into with the Parish of Jefferson, whereby excess sand recovered from the area's ditches and culverts would be used to cover the landfill. DEQ has approved the plan with certain conditions and restrictions. During 97/98, the Town incurred costs in connection with capping the dump site and constructing a fence around the property. DEQ has issued a monitoring report as recent as April 2000 which indicated that the Town is complying with all of the conditions agreed to in closing the landfill. Because the ultimate cost to the Town should be minimal, the financial statements do not include a provision for these closure or post-closure costs.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2000

NOTE N - SEGMENT INFORMATION - ENTERPRISE FUNDS

The Town maintains two enterprise funds. The Waterworks Utility fund accounts for the provision of basic water service to the Town. The Gas Utility Fund accounts for the distribution system that provides natural gas service to the Town. Selected segment information for the year ended June 30, 2000, is as follows:

Type of service	Waterworks Utility		Gas Utility		Total
	Waterworks		Gas Distribution		
Operating revenues	\$	570,996	\$	161,678	\$ 732,674
Depreciation and amortization		203,019		10,687	213,706
Operating income (loss)		(386,271)		(16,145)	(402,416)
Operating grants and agreements		196,093		0	196,093
Ad valorem taxes		72,896		18,224	91,120
Operating transfers in (out)		0		0	0
Net income (loss)		(74,618)		2,467	(72,151)
Current capital contributions and transfers		7,326,885		0	7,326,885
Property, plant and equipment					
Additions and transfers from construction in progress		15,808,323		2,847	15,811,170
Net working capital		439,250		22,690	461,940
Total assets		19,946,310		261,625	20,207,935
Revenue bonds payable		9,225,000		0	9,225,000
Total equity		9,673,113		219,608	9,892,721

NOTE O - RETIREMENT PLAN

During the year, the Town implemented a Savings Incentive Match Plan for Employees (i.e., a SIMPLE IRA Plan). The plan allows all full-time employees to make pre-tax salary deferrals of up to \$6,000 annually. The Town is required to make either a dollar-for-dollar match up to 3% of compensation or a 2% nonselective contribution to all eligible participants. The funds are held by a third-party trustee in accounts for each employee. Total contributions to the plan for the year ended June 30, 2000 totaled \$50,028 (\$34,119 employee and \$15,909 employer).

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2000

NOTE P - PRIOR PERIOD ADJUSTMENTS AND RECLASSIFICATIONS

Fund balance/retained earnings at the beginning of the fiscal year have been restated to reflect the following changes:

Adjustment	Reason
1.	In accordance with the issuance of revenue bonds to fund the construction of a new water pipeline, the Waterworks and Gas Utilities Enterprise Fund was split into two segments - one to account for the Waterworks activity and one to account for the Gas Utilities activity. The net effect of the reclassification was \$-0- on the Enterprise Fund Type, as both funds remain accounted for in that fund type. However, the Waterworks Utilities Fund retained earnings was decreased by \$(217,141) and the Gas Utilities Fund retained earnings was increased by \$217,141 to reflect the transfer of assets/liabilities/fund equity.

The net effect on retained earnings for each fund was as follows:

	Waterworks Utilities	Gas Utilites	Total Enterprise Fund Type
Retained Earnings, as previously reported	\$ 1,105,105	\$ 0	\$ 1,105,105
Restatement #1(explained above)	(217,141)	217,141	0
Retained Earnings, as restated	<u>\$ 887,964</u>	<u>\$ 217,141</u>	<u>\$ 1,105,105</u>

In addition, certain assets and liabilities of the Waterworks Utilities Enterprise Fund have been reclassified between restricted and unrestricted to better reflect the limitations place on certain funds by the Water Revenue Bond, Series 2000 bond indenture. These reclassifications had no effect on fund equity other than to set up some reservations of fund equity.

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COMBINING STATEMENTS AND INDIVIDUAL
FUND AND ACCOUNT GROUP SCHEDULES

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GENERAL FUND

The General Fund is the principal operating fund of the Town of Grand Isle, and is used to account for the financial resources and expenditures not accounted for in any other fund.

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND BALANCE SHEET JUNE 30, 2000

ASSETS

Cash and cash equivalents	\$	458,925
Receivables, net		
Franchise taxes		18,582
Intergovernmental		
Sales tax		131,808
Licenses and permits		5,950
Beer tax		3,121
Tobacco tax		1,892
Tourism - Act 18		2,851
Gaming fees and commissions		19,733
Grants		6,379
Parish road fund		6,103
Other		3,166
Due from other funds		10,960
Prepaid items		27,279
TOTAL ASSETS	\$	<u>696,749</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	49,346
Accrued salaries and related liabilities		12,375
Due to other funds		35,067
Appearance bond deposits		4,395
Deferred revenue		0
TOTAL LIABILITIES		<u>101,183</u>

FUND BALANCE

Reserved for prepaid items		27,278
Unreserved		
Designated for subsequent year's expenditure		0
Undesignated		568,288
TOTAL FUND BALANCE		<u>595,566</u>

TOTAL LIABILITIES AND FUND BALANCE	\$	<u>696,749</u>
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TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$ 517,880	\$ 440,500	\$ 77,380
Licenses and permits	93,824	85,000	8,824
Intergovernmental	85,078	83,161	1,917
Gaming fees and commissions	315,784	325,000	(9,216)
Fines and forfeitures	110,278	119,600	(9,322)
Charges for services	279,682	273,400	6,282
Miscellaneous	89,526	102,400	(12,874)
TOTAL REVENUES	<u>1,492,052</u>	<u>1,429,061</u>	<u>62,991</u>
EXPENDITURES			
Current			
General government	523,624	568,681	45,057
Public Safety	377,707	391,511	13,804
Public works	425,820	437,875	12,055
Culture, recreation and tourism	31,021	30,994	(27)
TOTAL EXPENDITURES	<u>1,358,172</u>	<u>1,429,061</u>	<u>70,889</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	133,880	0	133,880
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
Proceeds from capital leases	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	133,880	0	133,880
FUND BALANCES			
Beginning of year	461,686	461,686	0
End of year	<u>\$ 595,566</u>	<u>\$ 461,686</u>	<u>\$ 133,880</u>

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
SCHEDULE OF REVENUES - ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
TAXES			
Ad valorem	\$ 128,871	\$ 135,000	\$ (6,129)
Sales			
General	286,868	220,000	66,868
Law enforcement	27,408	25,000	2,408
Hotel/motel	10,331	5,500	4,831
Franchise tax			
Entergy	48,933	45,000	3,933
Callais Cable	15,469	10,000	5,469
Total	517,880	440,500	77,380
LICENSES AND PERMITS			
Business			
Occupational	67,952	64,000	3,952
Liquor and beer	6,300	5,000	1,300
Non-business			
Building	18,270	15,000	3,270
Zoning and adjustments	1,302	1,000	302
Total	93,824	85,000	8,824
INTERGOVERNMENTAL			
Federal			
FEMA - Hurricane Georges/Frances	0	0	0
Local Law Enforcement Block Grants	6,189	6,000	189
Governor's Safe & Drug Free School Grant	1,820	1,800	20
State			
Tobacco tax	7,569	6,000	1,569
Beer tax	6,534	3,500	3,034
Parish road fund	50,000	50,000	0
Tourism funds	9,160	9,000	160
LCLE/CJCC grants	2,966	2,861	105
FEMA - Hurricane Georges/Frances - Admin Share	0	0	0
DARE	840	4,000	(3,160)
Total	85,078	83,161	1,917
GAMING FEES AND COMMISSIONS			
Riverboat admission fees	281,943	300,000	(18,057)
Video poker allocation	33,841	25,000	8,841
Total	315,784	325,000	(9,216)
FINES AND FORFEITURES			
Fines and court costs	109,734	118,900	(9,166)
Bond fees	544	700	(156)
Total	110,278	119,600	(9,322)
CHARGES FOR SERVICES			
Sanitation	278,124	270,000	8,124
Tax research and notices	1,558	3,400	(1,842)
Total	279,682	273,400	6,282
MISCELLANEOUS			
Interest income	22,546	20,000	2,546
Interdepartmental administration fee	50,400	50,400	0
10% tax collection charge	9,798	8,000	1,798
Donations - Tourism	0	0	0
Donations - 4 wheelers	0	0	0
Other	6,782	24,000	(17,218)
	89,526	102,400	(12,874)
TOTAL REVENUES	\$ 1,492,052	\$ 1,429,061	\$ 62,991

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT -
 ACTUAL AND BUDGET - GENERAL GOVERNMENT FUNCTION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL AND ADMINISTRATIVE			
Office salaries	\$ 77,458	\$ 80,000	\$ 2,542
Payroll taxes	46,937	44,000	(2,937)
Unemployment tax	297	500	203
Insurance - hospitalization	65,617	67,500	1,883
Insurance - workmen's compensation	30,127	30,500	373
Retirement - employer contributions	15,909	16,000	91
Aldermen - per diems	25,186	25,186	0
Aldermen expenses	5,547	6,000	453
Audit	4,866	5,000	134
Legal and professional fees	26,849	25,000	(1,849)
Office supplies	2,076	4,000	1,924
Coffee supplies	1,580	2,000	420
Janitorial supplies	230	600	370
Advertising	6,698	7,000	302
Signs and insignias	750	1,000	250
LMA - dues	243	250	7
LMA - expenses	3,018	3,200	182
Dues and subscriptions	304	400	96
Insurance - general and automotive	19,868	36,700	16,832
Utilities	11,091	12,500	1,409
Postage	4,004	4,000	(4)
Bank charges	544	400	(144)
Telephone	13,618	13,500	(118)
Repairs - office equipment	3,783	5,000	1,217
Repairs - buildings	7,572	10,000	2,428
Repairs - vehicles	1,935	2,500	565
Gas and oil	2,629	2,500	(129)
Public assistance	553	3,500	2,947
Physicals	1,539	1,500	(39)
School training	195	200	5
Travel and other	287	900	613
Computer consulting	250	4,000	3,750
Safety equipment	231	600	369
Elections expense	182	2,095	1,913
Inauguration expense	732	0	(732)
Miscellaneous	2,196	1,500	(696)
Intergovernmental - JP Video Poker/Jail Construction	33,220	25,000	(8,220)
Capital outlay			
Office furniture and equipment	2,637	3,000	363
Vehicles	0	0	0
Fishing pier repairs	0	0	0
TOTAL DEPARTMENT	\$ 420,758	\$ 447,531	\$ 26,773

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT -
 ACTUAL AND BUDGET - GENERAL GOVERNMENT FUNCTION (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE FAVORABLE (UNFAVORABLE)
MAYOR'S DEPARTMENT			
Salaries	\$ 53,194	\$ 54,000	\$ 806
Local and special expenses	354	500	146
Telephone	65	0	(65)
Office supplies	389	1,500	1,111
Repairs - vehicles	326	1,000	674
Gas and oil	1,149	1,500	351
Travel and other	3,000	4,000	1,000
Miscellaneous	55	100	45
Capital outlay			
Office furniture and equipment	368	2,000	1,632
TOTAL DEPARTMENT	<u>\$ 58,900</u>	<u>\$ 64,600</u>	<u>\$ 5,700</u>
PLANNING COMMISSION AND TAX DEPARTMENT			
Salaries	\$ 35,521	\$ 36,550	\$ 1,029
Office supplies	588	600	12
Printing - tax bills	4,272	4,300	28
Postage	2,021	2,500	479
Advertising	(784)	2,100	2,884
Recordation	(1,948)	1,500	3,448
Travel and other	278	600	322
Training	0	0	0
Miscellaneous	(2,853)	100	2,953
Capital outlay			
Office furniture and equipment	571	2,000	1,429
Demolition - condemned buildings	6,300	6,300	0
TOTAL DEPARTMENT	<u>\$ 43,966</u>	<u>\$ 56,550</u>	<u>\$ 12,584</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 523,624</u>	<u>\$ 568,681</u>	<u>\$ 45,057</u>

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT -
 ACTUAL AND BUDGET - PUBLIC SAFETY FUNCTION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
POLICE DEPARTMENT			
Salaries	\$ 216,912	\$ 210,000	\$ (6,912)
Insurance - hospitalization	31,667	36,000	4,333
Insurance - workmen's compensation	12,397	13,500	1,103
Retirement - police	6,456	7,000	544
Dues and subscriptions	135	300	165
Food and lodging - deputies	1,203	1,500	297
Food - prisoners	186	600	414
Legal and professional fees	14,180	14,500	320
Travel and other	2,361	2,100	(261)
Office supplies	2,982	3,500	518
Coffee supplies	1,079	1,300	221
Janitorial supplies	754	800	46
Telephone	15,795	15,500	(295)
Uniforms	1,006	1,000	(6)
Ammunition	659	700	41
Repairs - building	4,527	4,500	(27)
Repairs - equipment	1,421	3,800	2,379
Repairs - vehicles	14,807	15,000	193
Chemicals	0	100	100
Postage	44	50	6
School training	3,978	3,600	(378)
DARE program expenses	0	4,000	4,000
Drug Task Force participation	0	0	0
Governor's grant expenditures	0	0	0
Insurance - general and automotive	15,195	12,000	(3,195)
Utilities	3,255	3,300	45
Gas and oil	10,983	10,000	(983)
Small tools and equipment	24	250	226
Miscellaneous	186	650	464
Capital outlay			
Office furniture and equipment	(320)	2,000	2,320
Vehicles and equipment	6,602	10,500	3,898
Guns and equipment	8,633	10,961	2,328
TOTAL DEPARTMENT	\$ 377,107	\$ 389,011	\$ 11,904
CIVIL DEFENSE			
Emergency fund	\$ 600	\$ 2,000	\$ 1,400
Travel and other	0	500	500
Miscellaneous	0	0	0
TOTAL DEPARTMENT	\$ 600	\$ 2,500	\$ 1,900
TOTAL PUBLIC SAFETY	\$ 377,707	\$ 391,511	\$ 13,804

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT -
 ACTUAL AND BUDGET - PUBLIC WORKS FUNCTION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
STREETS DEPARTMENT			
Salaries	\$ 79,134	\$ 86,000	\$ 6,866
Street repairs	1,381	4,000	2,619
Street signs	3,452	5,500	2,048
Small tools and equipment	53	700	647
Repairs - buildings	80	375	295
Repairs - vehicles	7,442	13,000	5,558
Gas and oil	7,831	7,000	(831)
Limestone	2,999	3,000	1
Miscellaneous	47	500	453
Capital outlay			
Vehicles and equipment	768	5,000	4,232
TOTAL DEPARTMENT	\$ 103,187	\$ 125,075	\$ 21,888
SANITATION DEPARTMENT			
Salaries	\$ 127,155	\$ 120,000	\$ (7,155)
Chemicals	4,197	3,200	(997)
Repairs - dumpsite	127	200	73
Legal and professional fees	0	400	400
Landfill closure	405	5,000	4,595
Gas and oil	7,969	7,000	(969)
Repairs - vehicles	12,911	15,000	2,089
Small tools and equipment	86	800	714
Utilities	2,538	2,700	162
Contracted services - hauling	154,634	140,000	(14,634)
Miscellaneous	(2,461)	500	2,961
Capital outlay			
Vehicles and equipment	768	0	(768)
Debt Service			
Principal	11,449	18,000	6,551
Interest	2,855	0	(2,855)
TOTAL DEPARTMENT	\$ 322,633	\$ 312,800	\$ (9,833)
TOTAL PUBLIC WORKS FUNCTION	\$ 425,820	\$ 437,875	\$ 12,055

TOWN OF GRAND ISLE, LOUISIANA

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT -
ACTUAL AND BUDGET - CULTURE, RECREATION AND TOURISM
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE FAVORABLE (UNFAVORABLE)
TOURISM DEPARTMENT			
Salaries	\$ 14,143	\$ 14,500	\$ 357
Advertising	13,094	13,000	(94)
Dues and subscriptions	299	300	1
Office supplies	360	400	40
Telephone	1,570	1,600	30
Postage	294	369	75
Travel and other	1,261	825	(436)
TOTAL DEPARTMENT	\$ <u>31,021</u>	\$ <u>30,994</u>	\$ <u>(27)</u>
TOTAL CULTURE, RECREATION AND TOURISM	\$ <u>31,021</u>	\$ <u>30,994</u>	\$ <u>(27)</u>

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SPECIAL REVENUE FUNDS

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

SEIZURE AND FORFEITURE

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

DRAINAGE DISTRICT NO. 1

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

EROSION CONTROL FUND

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

MOSQUITO CONTROL FUND

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

RECREATION FUND

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

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16

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

RIVERBOAT GAMBLING AND ADMISSIONS FEES

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

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2000

	<u>SEIZURE AND FORFEITURE</u>	<u>DRAINAGE DISTRICT NO. 1</u>	<u>EROSION CONTROL FUND</u>	<u>MOSQUITO CONTROL FUND</u>
ASSETS				
Cash and cash equivalents	\$ 3,272	\$ 0	\$ 44,403	\$ 9,595
Receivables				
Accounts receivable	0	0	0	23,800
Intergovernmental				
Sales tax	0	8,899	0	0
State beach cleaning appropriation	0	0	0	0
Playground District No. 16 taxes	0	0	0	0
Gaming fees and commissions	0	0	0	0
Due from other funds	0	35,422	0	639
Prepaid items	0	0	0	0
TOTAL ASSETS	<u>\$ 3,272</u>	<u>\$ 44,321</u>	<u>\$ 44,403</u>	<u>\$ 34,034</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 3,342
Accrued payroll and deductions	0	0	0	0
Due to other funds	0	0	9,650	414
Total Liabilities	<u>0</u>	<u>0</u>	<u>9,650</u>	<u>3,756</u>
Fund Equity				
Fund Balances				
Reserved for prepaid items	0	0	0	0
Reserved for drainage pumps	0	44,321	0	0
Unreserved				
Designated	0	0	0	0
Undesignated	3,272	0	34,753	30,278
Total Fund Equity	<u>3,272</u>	<u>44,321</u>	<u>34,753</u>	<u>30,278</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,272</u>	<u>\$ 44,321</u>	<u>\$ 44,403</u>	<u>\$ 34,034</u>

<u>RECREATION FUND</u>	<u>COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16</u>	<u>RIVERBOAT GAMBLING ADMISSION FEES</u>	<u>TOTAL</u>
\$ 21,229	\$ 227,936	\$ 167,292	\$ 473,727
0	0	0	23,800
0	0	0	8,899
0	48,000	0	48,000
0	78,043	0	78,043
0	0	0	0
0	6,142	16,542	58,745
0	40,715	0	40,715
<u>\$ 21,229</u>	<u>\$ 400,836</u>	<u>\$ 183,834</u>	<u>\$ 731,929</u>
\$ 0	\$ 29,063	\$ 0	\$ 32,405
0	785	0	785
0	898	33,058	44,020
<u>0</u>	<u>30,746</u>	<u>33,058</u>	<u>77,210</u>
0	40,715	0	40,715
0	0	0	44,321
0	0	0	0
21,229	329,375	150,776	569,683
<u>21,229</u>	<u>370,090</u>	<u>150,776</u>	<u>654,719</u>
<u>\$ 21,229</u>	<u>\$ 400,836</u>	<u>\$ 183,834</u>	<u>\$ 731,929</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	SEIZURE AND FORFEITURE	DRAINAGE DISTRICT NO. 1	EROSION CONTROL FUND	MOSQUITO CONTROL FUND
REVENUES				
Taxes	\$ 0	\$ 22,711	\$ 0	\$ 0
Intergovernmental	0	0	0	0
Gamings fees and commissions	0	0	0	0
Fines and forfeitures	4,869	0	0	0
Charges for services	0	0	0	40,201
Miscellaneous	102	0	1,203	1,917
TOTAL REVENUES	<u>4,971</u>	<u>22,711</u>	<u>1,203</u>	<u>42,118</u>
EXPENDITURES				
Current				
Public safety	5,314	0	0	0
Public works	0	16,266	0	0
Health and welfare	0	0	0	55,274
Culture and recreation	0	0	0	0
TOTAL EXPENDITURES	<u>5,314</u>	<u>16,266</u>	<u>0</u>	<u>55,274</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(343)</u>	<u>6,445</u>	<u>1,203</u>	<u>(13,156)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	0	0	0	0
Operating transfers out	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(343)	6,445	1,203	(13,156)
FUND BALANCE				
Beginning of year	3,615	37,876	33,550	43,434
Residual equity transfers	0	0	0	0
End of year	<u>\$ 3,272</u>	<u>\$ 44,321</u>	<u>\$ 34,753</u>	<u>\$ 30,278</u>

RECREATION FUND	COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16	RIVERBOAT GAMBLING ADMISSION FEES	TOTAL
\$ 0	\$ 0	\$ 0	\$ 22,711
0	213,211	0	213,211
0	0	0	0
0	0	0	4,869
0	3,875	0	44,076
386	9,600	8,795	22,003
<u>386</u>	<u>226,686</u>	<u>8,795</u>	<u>306,870</u>
0	0	0	5,314
0	0	300,000	316,266
0	0	0	55,274
1,440	189,432	0	190,872
<u>1,440</u>	<u>189,432</u>	<u>300,000</u>	<u>567,726</u>
<u>(1,054)</u>	<u>37,254</u>	<u>(291,205)</u>	<u>(260,856)</u>
0	0	0	0
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(1,054)	37,254	(291,205)	(260,856)
22,283	332,836	441,981	915,575
0	0	0	0
<u>\$ 21,229</u>	<u>\$ 370,090</u>	<u>\$ 150,776</u>	<u>\$ 654,719</u>

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TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>TOTALS BY FUNCTION</u>		
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$ 22,711	\$ 25,000	\$ (2,289)
Intergovernmental	213,211	198,200	15,011
Gamings fees and commissions	0	0	0
Fines and forfeitures	4,869	0	4,869
Charges for services	44,076	46,000	(1,924)
Miscellaneous	22,003	18,800	3,203
TOTAL REVENUES	<u>306,870</u>	<u>288,000</u>	<u>18,870</u>
EXPENDITURES			
Current			
Public safety	5,314	0	(5,314)
Public works	316,266	325,000	8,734
Health and welfare	55,274	49,300	(5,974)
Culture and recreation	190,872	227,400	36,528
TOTAL EXPENDITURES	<u>567,726</u>	<u>601,700</u>	<u>33,974</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(260,856)</u>	<u>(313,700)</u>	<u>52,844</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>(260,856)</u>	<u>(313,700)</u>	<u>52,844</u>
FUND BALANCE			
Beginning of year	915,575	915,575	0
End of year	<u>\$ 654,719</u>	<u>\$ 601,875</u>	<u>\$ 52,844</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>SEIZURE AND FORFEITURE</u>		
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Fines and forfeitures			
Seizures and forfeitures	\$ 4,869	\$ 0	\$ 0
Miscellaneous			
Interest income	102	0	0
TOTAL REVENUES	<u>4,971</u>	<u>0</u>	<u>0</u>
EXPENDITURES			
Public safety			
Training	2,178	0	(2,178)
Capital outlay	3,136	0	(3,136)
TOTAL EXPENDITURES	<u>5,314</u>	<u>0</u>	<u>(5,314)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(343)</u>	<u>0</u>	<u>(343)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>(343)</u>	<u>0</u>	<u>(343)</u>
FUND BALANCE			
Beginning of year	3,615	3,615	0
End of year	<u>\$ 3,272</u>	<u>\$ 3,615</u>	<u>\$ (343)</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>DRAINAGE DISTRICT NO. 1</u>		
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes			
Sales taxes	\$ 22,711	\$ 25,000	\$ (2,289)
Miscellaneous			
Interest income	0	0	0
TOTAL REVENUES	<u>22,711</u>	<u>25,000</u>	<u>(2,289)</u>
EXPENDITURES			
Public Works			
Utilities	5,406	10,000	4,594
Repairs and maintenance - Pump Station No. 1	9,643	11,000	1,357
Culverts and gates	0	2,200	2,200
Lease payments	1,200	1,200	0
Canal cleaning	0	0	0
Miscellaneous	17	600	583
Capital outlays			
Pump stations	0	0	0
TOTAL EXPENDITURES	<u>16,266</u>	<u>25,000</u>	<u>8,734</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,445</u>	<u>0</u>	<u>6,445</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>6,445</u>	<u>0</u>	<u>6,445</u>
FUND BALANCE			
Beginning of year	37,876	37,876	0
End of year	<u>\$ 44,321</u>	<u>\$ 37,876</u>	<u>\$ 6,445</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	EROSION CONTROL FUND		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Miscellaneous			
Interest income	\$ 1,203	\$ 0	\$ 1,203
TOTAL REVENUES	<u>1,203</u>	<u>0</u>	<u>1,203</u>
EXPENDITURES			
Public Works			
Miscellaneous	0	0	0
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,203</u>	<u>0</u>	<u>1,203</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	1,203	0	1,203
FUND BALANCE			
Beginning of year	33,550	33,550	0
End of year	\$ <u>34,753</u>	\$ <u>33,550</u>	\$ <u>1,203</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>MOSQUITO CONTROL FUND</u>		
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Charges for services			
Mosquito fees	\$ 40,201	\$ 40,000	\$ 201
Grass cutting fees	0	2,000	(2,000)
Miscellaneous			
Interest income	942	300	642
Other	975	0	0
TOTAL REVENUES	<u>42,118</u>	<u>42,300</u>	<u>(1,157)</u>
EXPENDITURES			
Health and Welfare			
<i>Repairs and maintenance -</i>			
buildings	0	700	700
Chemicals	16,540	13,500	(3,040)
Spraying & larviciding	32,587	25,000	(7,587)
Grass cutting	0	2,000	2,000
Audit	1,427	1,400	(27)
Reoordation & cancellation fees	(680)	0	680
Schools and training	0	600	600
Miscellaneous	0	700	700
Interdepartmental administrative fee	5,400	5,400	0
TOTAL EXPENDITURES	<u>55,274</u>	<u>49,300</u>	<u>(5,974)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(13,156)</u>	<u>(7,000)</u>	<u>(6,156)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(13,156)	(7,000)	(6,156)
FUND BALANCE			
Beginning of year	43,434	43,434	0
End of year	<u>\$ 30,278</u>	<u>\$ 36,434</u>	<u>\$ (6,156)</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	RECREATION FUND		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Miscellaneous			
Interest income	\$ 386	\$ 0	\$ 386
TOTAL REVENUES	<u>386</u>	<u>0</u>	<u>386</u>
EXPENDITURES			
Culture and Recreation			
Port-o-lets	1,440	0	(1,440)
TOTAL EXPENDITURES	<u>1,440</u>	<u>0</u>	<u>(1,440)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,054)</u>	<u>0</u>	<u>(1,054)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>(1,054)</u>	<u>0</u>	<u>(1,054)</u>
FUND BALANCE			
Beginning of year	22,283	22,283	0
End of year	\$ <u>21,229</u>	\$ <u>22,283</u>	\$ <u>(1,054)</u>

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Intergovernmental			
Parish dedicated ad valorem taxes	\$ 163,665	\$ 148,200	\$ 15,465
Office of State Parks - Beach cleaning	48,000	50,000	(2,000)
Rural Development Grant #9899-JFN-0101	1,546	0	1,546
Charges for services			
Rental income	3,875	4,000	(125)
Miscellaneous			
Interest income	8,621	7,000	1,621
Beach sweep donations	0	1,500	(1,500)
Other	979	1,000	(21)
TOTAL REVENUES	226,686	211,700	14,986
EXPENDITURES			
Culture and Recreation			
Salaries	22,904	29,400	6,496
Salaries - beach sweep	11,311	15,300	3,989
Payroll taxes	2,394	2,500	106
Unemployment taxes	119	500	381
Insurance			
Hospitalization	5,060	5,000	(60)
Workman's compensation	1,710	3,500	1,790
General	45,494	20,000	(25,494)
Audit	4,359	4,300	(59)
Travel and other	75	250	175
Janitorial supplies	1,866	3,000	1,134
Office supplies	425	500	75
Supplies - beach cleaning	130	2,000	1,870
Repairs and maintenance -			
Building	7,525	13,050	5,525
Office equipment	908	1,000	92
Vehicles and equipment	1,563	2,500	937
Beach cleaning equipment	5,465	5,000	(465)
Tennis courts	0	1,000	1,000
Parks and playgrounds	31,224	33,000	1,776
Gas and oil	1,261	1,600	339
Gas and oil - beach equipment	1,294	1,000	(294)
Recreational assistance	908	7,000	6,092
Beach sweep expenses	50	1,500	1,450
Coffee supplies	0	300	300
Small tools and equipment	37	300	263

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16		
	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
Professional fees	364	1,000	636
Telephone	493	600	107
Utilities	26,582	22,000	(4,582)
Interdepartmental administrative fee	15,000	15,000	0
Miscellaneous	441	500	59
Capital outlays			
Office furniture and equipment	470	1,000	530
Vehicles	0	2,500	2,500
Beach cleaning equipment	0	27,000	27,000
Playground equipment	0	4,300	4,300
TOTAL EXPENDITURES	189,432	227,400	37,968
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	37,254	(15,700)	52,954
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	37,254	(15,700)	52,954
FUND BALANCE			
Beginning of year	332,836	332,836	0
End of year	\$ 370,090	\$ 317,136	\$ 52,954

TOWN OF GRAND ISLE, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>RIVERBOAT GAMBLING ADMISSION FEES</u>		
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Gaming fees and commissions			
Riverboat admission fees	\$ 0	\$ 0	\$ 0
Miscellaneous			
Interest income	8,795	9,000	(205)
TOTAL REVENUES	<u>8,795</u>	<u>9,000</u>	<u>(205)</u>
EXPENDITURES			
Public Works			
Capital improvements	300,000	300,000	0
Other special projects	0	0	0
TOTAL EXPENDITURES	<u>300,000</u>	<u>300,000</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(291,205)</u>	<u>(291,000)</u>	<u>(205)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	0	0	0
Operating transfers out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>(291,205)</u>	<u>(291,000)</u>	<u>(205)</u>
FUND BALANCE			
Beginning of year	441,981	441,981	0
End of year	<u>\$ 150,776</u>	<u>\$ 150,981</u>	<u>\$ (205)</u>

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ENTERPRISE FUNDS

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

WATERWORKS UTILITIES FUND

Used to account for the provision of water services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to operations, maintenance, administration, financing and related debt service, and billing and collection.

GAS UTILITIES FUND

Used to account for the provision of natural gas services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to operations, maintenance, administration, financing and related debt service, and billing and collection.

TOWN OF GRAND ISLE, LOUISIANA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000

	<u>WATERWORKS UTILITY FUND</u>	<u>GAS UTILITY FUND</u>	<u>TOTAL</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 261,119	\$ 11,704	\$ 272,823
Receivables			
Accounts receivable	166,618	6,015	172,633
Property taxes	0	0	0
Due from other governments	6,378	0	6,378
Other	2,293	0	2,293
Due from other funds	13,894	17,746	31,640
Inventory	17,729	23,371	41,100
Prepaid insurance	22,580	5,871	28,451
Total Current Assets	<u>490,611</u>	<u>64,707</u>	<u>555,318</u>
Restricted Assets			
Cash and cash equivalents	2,258,161	0	2,258,161
Due from other governments	276,188	0	276,188
Total Restricted Assets	<u>2,534,349</u>	<u>0</u>	<u>2,534,349</u>
Property, plant and equipment (net of accumulated depreciation and amortization of \$1,700,601 and \$318,247, respectively)			
	16,870,036	196,918	17,066,954
Unamortized bond issuance costs (net of accumulated depreciation and amortization of \$431)			
	51,314	0	51,314
TOTAL ASSETS	<u>\$ 19,946,310</u>	<u>\$ 261,625</u>	<u>\$ 20,207,935</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 32,189	\$ 41,661	\$ 73,850
Accrued salaries	1,426	356	1,782
Due to other funds	17,746	0	17,746
Total Current Liabilities	<u>51,361</u>	<u>42,017</u>	<u>93,378</u>
Current Liabilities Payable From Restricted Assets			
Accounts and retainage payable	885,431	0	885,431
Customer deposits	85,652	0	85,652
Due to other funds	4,512	0	4,512
Bond anticipation notes payable	0	0	0
Total Current Liabilities Payable From Restricted Assets	<u>975,595</u>	<u>0</u>	<u>975,595</u>
Long-term Liabilities			
Capital leases payable	21,241	0	21,241
Water revenue bonds payable	9,225,000	0	9,225,000
Total Long-term Liabilities	<u>9,246,241</u>	<u>0</u>	<u>9,246,241</u>
TOTAL LIABILITIES	<u>10,273,197</u>	<u>42,017</u>	<u>10,315,214</u>
FUND EQUITY			
Contributed capital			
Contributions from municipality	328,000	0	328,000
Contributions from state capital outlay	4,892,900	0	4,892,900
Contributions from EPA grant	3,019,625	0	3,019,625
Contributions from federal grant	527,625	0	527,625
Total Contributed Capital	<u>8,768,150</u>	<u>0</u>	<u>8,768,150</u>
Retained Earnings			
Reserved for debt service - sinking	146,211	0	146,211
Reserved for debt service - reserve	7,324	0	7,324
Reserved for depreciation and contingencies	7,309	0	7,309
Unreserved	744,119	219,608	963,727
Total Retained Earnings	<u>904,963</u>	<u>219,608</u>	<u>1,124,571</u>
TOTAL FUND EQUITY	<u>9,673,113</u>	<u>219,608</u>	<u>9,892,721</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 19,946,310</u>	<u>\$ 261,625</u>	<u>\$ 20,207,935</u>

TOWN OF GRAND ISLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>WATERWORKS UTILITY FUND</u>	<u>GAS UTILITY FUND</u>	<u>TOTAL</u>
OPERATING REVENUES			
Water sales	\$ 541,451	\$ 0	\$ 541,451
Gas sales	0	159,976	159,976
Service charges	2,815	0	2,815
Installation charges	9,295	1,702	10,997
Delinquent penalties	16,542	0	16,542
Miscellaneous	893	0	893
Total Operating Revenues	<u>570,996</u>	<u>161,678</u>	<u>732,674</u>
OPERATING EXPENSES			
Personal services	120,246	30,326	150,572
Contracted services	425,417	77,462	502,879
Materials and supplies	23,517	2,023	25,540
General and administrative	185,068	57,325	242,393
Depreciation and amortization	111,402	10,687	122,089
Depreciation on contributed assets	91,617	0	91,617
Total Operating Expenses	<u>957,267</u>	<u>177,823</u>	<u>1,135,090</u>
OPERATING INCOME (LOSS)	<u>(386,271)</u>	<u>(16,145)</u>	<u>(402,416)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	44,798	388	45,186
Interest expense	(1,703)	0	(1,703)
Amortization of bond issuance costs	(431)	0	(431)
Ad valorem taxes	72,896	18,224	91,120
Intergovernmental			
State - Rural Development grants	0	0	0
State - Interim Emergency Board grants	183,337	0	183,337
State - DOTD highway maintenance	12,756	0	12,756
Total Non-Operating Revenues (Expenses)	<u>311,653</u>	<u>18,612</u>	<u>330,265</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(74,618)</u>	<u>2,467</u>	<u>(72,151)</u>
OPERATING TRANSFERS IN	0	0	0
OPERATING TRANSFERS OUT	0	0	0
NET INCOME (LOSS)	<u>(74,618)</u>	<u>2,467</u>	<u>(72,151)</u>
Add Back: Depreciation on contributed assets	91,617	0	91,617
RETAINED EARNINGS			
Beginning of Year, as Restated	887,964	217,141	1,105,105
End of Year	<u>\$ 904,963</u>	<u>\$ 219,608</u>	<u>\$ 1,124,571</u>

TOWN OF GRAND ISLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 WATERWORKS AND GAS UTILITIES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>WATERWORKS UTILITY FUND</u>	<u>GAS UTILITY FUND</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss	\$ (386,271)	\$ (16,145)	\$ (402,416)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	111,402	10,687	122,089
Depreciation on contributed assets	91,617	0	91,617
(Increase) decrease in assets:			
Accounts receivable	(87,976)	(257)	(88,233)
Due from other funds	3,849	(17,746)	(13,897)
Due from other governments	0	0	0
Other receivables	0	0	0
Inventory	652	11,240	11,892
Prepays	2,975	(5,871)	(2,896)
Increase (decrease) in liabilities:			
Accounts payable	32,189	10,675	42,864
Accrued salaries	(1,203)	356	(847)
Due to other funds	13,871	0	13,871
Customer deposits	(677)	0	(677)
Net adjustments	<u>166,699</u>	<u>9,084</u>	<u>175,783</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(219,572)</u>	<u>(7,061)</u>	<u>(226,633)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Ad valorem taxes	72,896	18,224	91,120
Receipts under DOTD maintenance contract	12,756	0	12,756
Receipts from Interim Emergency Board Water Shortage grants	251,819	0	251,819
Operating transfers in	0	0	0
Operating transfers out	0	0	0
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>337,471</u>	<u>18,224</u>	<u>355,695</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Receipts under Rural Development grants	0	0	0
Receipts under State Capital Outlay program (project no. 50-MBI-97B-1)	4,393,193	0	4,393,193
Receipts under Environmental Protection Agency Grant	3,045,000	0	3,045,000
Proceeds from Revenue Bond Anticipation Notes	7,934,889	0	7,934,889
Payments on Revenue Bond Anticipation Notes	(8,977,889)	0	(8,977,889)
Interest paid on Revenue Bond Anticipation Notes	(203,217)	0	(203,217)
Payments of bond issuance costs for Revenue Bonds	(51,745)	0	(51,745)
Proceeds from Water Revenue Bonds, Series 2000	9,225,000	0	9,225,000
Payments on construction of water pipeline	(13,537,033)	0	(13,537,033)
Advance from Jefferson Parish for portion of pipeline	2,650,000	0	2,650,000
Payments to vendors for construction of Parish portion of pipeline	(2,470,470)	0	(2,470,470)
Refund paid to Jefferson Parish for remaining funds on hand	(49,505)	0	(49,505)
Principal paid on capital lease for equipment	(6,357)	0	(6,357)
Interest paid on capital lease for equipment	(1,703)	0	(1,703)
Purchases of property and equipment	(19,077)	(2,847)	(21,924)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>1,931,086</u>	<u>(2,847)</u>	<u>1,928,239</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	44,798	388	45,186
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>2,093,783</u>	<u>8,704</u>	<u>2,102,487</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR - AS RESTATED	425,497	3,000	428,497
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,519,280</u>	<u>\$ 11,704</u>	<u>\$ 2,530,984</u>
BREAKDOWN OF CASH AND CASH EQUIVALENTS PER BALANCE SHEET			
Current Assets			
Cash and cash equivalents	\$ 261,119	\$ 11,704	\$ 272,823
Restricted Assets			
Cash and cash equivalents	2,258,161	0	2,258,161
	<u>\$ 2,519,280</u>	<u>\$ 11,704</u>	<u>\$ 2,530,984</u>

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS UTILITY FUND
 SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS - ACTUAL AND BUDGET
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES			
Water sales	\$ 541,451	\$ 534,000	\$ 7,451
Service charges	2,815	3,000	(185)
Installation charges	9,295	3,000	6,295
Delinquent penalties	16,542	16,000	542
Miscellaneous	893	1,000	(107)
Total Operating Revenues	570,996	557,000	13,996
OPERATING EXPENSES			
Personal services	120,246	130,860	10,614
Contracted services	425,417	456,400	30,983
Materials and supplies	23,517	55,100	31,583
General and administrative	185,068	190,540	5,472
Depreciation and amortization	111,402	40,000	(71,402)
Depreciation on contributed assets	91,617	25,125	(66,492)
Total Operating Expenses	957,267	898,025	(59,242)
OPERATING INCOME (LOSS)	(386,271)	(341,025)	(45,246)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	44,798	15,000	29,798
Interest expense	(1,703)	0	(1,703)
Amortization of bond issuance costs	(431)	0	(431)
Ad valorem taxes	72,896	75,600	(2,704)
Intergovernmental			
State - Rural Development grants	0	25,000	(25,000)
State - Interim Emergency Board grants	183,337	176,400	6,937
State - DOTD highway maintenance	12,756	12,700	56
Total Non-Operating Revenues (Expenses)	311,653	304,700	6,953
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(74,618)	(36,325)	(38,293)
OPERATING TRANSFERS IN	0	0	0
OPERATING TRANSFERS OUT	0	0	0
NET INCOME (LOSS)	(74,618)	(36,325)	(38,293)
Add Back: Depreciation on contributed assets	91,617	25,125	66,492
RETAINED EARNINGS			
Beginning of Year, as restated	887,964	887,964	0
End of Year	\$ 904,963	\$ 876,764	\$ 28,199

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS UTILITY FUND
 SCHEDULE OF OPERATING EXPENSES - ACTUAL AND BUDGET
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
PERSONAL SERVICES			
Salaries	\$ 96,372	\$ 100,000	\$ 3,628
Payroll taxes	7,089	8,860	1,771
Insurance - workmen's compensation	4,540	9,000	4,460
Insurance - hospitalization and other	12,245	13,000	755
Total Personal Services	<u>120,246</u>	<u>130,860</u>	<u>10,614</u>
CONTRACTED SERVICES			
Water purchases	249,077	280,000	30,923
Barging expenses	176,340	176,400	60
Total Contracted Services	<u>425,417</u>	<u>456,400</u>	<u>30,983</u>
MATERIALS AND SUPPLIES			
Installation materials and labor	7,353	8,000	647
Gas and oil	8,861	7,700	(1,161)
Chemicals	4,544	5,000	456
Small tools and supplies	2,759	34,400	31,641
Total Material and Supplies	<u>23,517</u>	<u>55,100</u>	<u>31,583</u>
GENERAL AND ADMINISTRATIVE			
Audit	3,120	3,440	320
Bank charges	198	400	202
Insurance - general and auto	53,253	24,000	(29,253)
Interdepartmental administrative fee	24,000	24,000	0
Leak survey	0	0	0
Legal and professional	6,179	6,000	(179)
Miscellaneous	3,599	4,000	401
Office and janitorial supplies	2,897	3,900	1,003
One call service	98	500	402
Physicals and drug testing	1,049	1,200	151
Postage	4,251	4,000	(251)
Repairs and maintenance			
Buildings	1,151	3,000	1,849
Equipment and machines	4,105	6,000	1,895
Fire hydrant	0	25,000	25,000
Office equipment	3,153	4,500	1,347
Vehicles	3,792	5,000	1,208
Water tank	0	1,500	1,500
Water distribution system	26,077	25,000	(1,077)
Water transmission	0	0	0
Water meters	0	1,000	1,000
Tax collection commission	7,290	6,800	(490)
Telephone	6,576	5,500	(1,076)
Training school	400	400	0
Travel and other	507	400	(107)
Utilities	33,373	35,000	1,627
Total General and Administrative	<u>185,068</u>	<u>190,540</u>	<u>5,472</u>
DEPRECIATION			
Depreciation and amortization	111,402	40,000	(71,402)
Depreciation on contributed assets	91,617	25,125	(66,492)
Total Depreciation	<u>203,019</u>	<u>65,125</u>	<u>(137,894)</u>
TOTAL OPERATING EXPENSES	<u>\$ 957,267</u>	<u>\$ 898,025</u>	<u>\$ (59,242)</u>

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS UTILITY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF
 RESTRICTED ASSET FUNDS
 FOR THE YEAR ENDED JUNE 30, 2000

WATER PIPELINE CONSTRUCTION FUND

Cash and cash equivalents at June 30, 1999	\$ 16,820
Receipts	
Drawdowns on Bond Anticipation Notes	7,934,889
Grant from EPA	3,045,000
Drawdowns on State Capital Outlay Appropriation	4,393,193
Transfer of Revenue Bond Proceeds from Waterworks Utility Fund	9,225,000
Loan from Riverboat Gambling Fees Fund	12,000
Interest	32,108
Advance from Jefferson Parish for their portion of waterline project	2,650,000
Total Receipts	<u>27,292,190</u>
Disbursements	
Payment of Bond Anticipation Notes	8,977,889
Payment of interest on Bond Anticipation Notes	203,217
Payment of bond issue costs	51,745
Payment on loan from Riverboat Gambling Fees Fund	12,000
Payments to construction company on behalf of Jefferson Parish	2,470,470
Refund excess funds to Jefferson Parish	49,505
Construction costs of water pipeline	13,537,031
Total Disbursements	<u>25,301,857</u>
Cash and cash equivalents at June 30, 2000	\$ <u>2,007,153</u>

WATER PIPELINE DEBT SERVICE - SINKING FUND

Cash and cash equivalents at June 30, 1999	\$ 2,388
Receipts	
Transfers from Waterworks Utility Fund	143,563
Interest and bank charges	260
Total Receipts	<u>143,823</u>
Disbursements	
Payment of principal on Water Revenue Bonds	0
Payment of interest on Water Revenue Bonds	0
Total Disbursements	<u>0</u>
Cash and cash equivalents at June 30, 2000	\$ <u>146,211</u>

WATER PIPELINE DEBT SERVICE - RESERVE FUND

Cash and cash equivalents at June 30, 1999	\$ 2,388
Receipts	
Transfers from Waterworks Utility Fund	4,804
Interest and bank charges	132
Total Receipts	<u>4,936</u>
Cash and cash equivalents at June 30, 2000	\$ <u>7,324</u>

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS UTILITY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF
 RESTRICTED ASSET FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2000

WATER PIPELINE - RESERVE FOR DEPRECIATION AND CONTINGENCIES

Cash and cash equivalents at June 30, 1999	\$	<u>0</u>
Receipts		
Transfers from Waterworks Utility Fund		7,304
Interest and bank charges		5
Total Receipts		<u>7,309</u>
Cash and cash equivalents at June 30, 2000	\$	<u>7,309</u>

WATER METER DEPOSIT FUND

Cash and cash equivalents at June 30, 1999	\$	<u>94,300</u>
Receipts		
Meter deposits		9,495
Interest and bank charges		4,928
Total Receipts		<u>14,423</u>
Disbursements		
Refunds to customers		10,172
Distribution of interest to Waterworks Fund		8,387
Total Disbursements		<u>18,559</u>
Cash and cash equivalents at June 30, 2000	\$	<u>90,164</u>

SUMMARY OF CASH AND CASH EQUIVALENTS - RESTRICTED ASSETS

Water Pipeline Construction Fund	\$	2,007,153
Water Pipeline Debt Service - Sinking Fund		146,211
Water Pipeline Debt Service - Reserve Fund		7,324
Water Pipeline - Reserve for Depreciation and Contingencies Fund		7,309
Water Meter Deposit Fund		90,164
	\$	<u>2,258,161</u>

TOWN OF GRAND ISLE, LOUISIANA

GAS UTILITY FUND
 SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS - ACTUAL AND BUDGET
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES			
Gas sales	\$ 159,976	\$ 170,000	\$ (10,024)
Installation charges	1,702	1,000	702
Total Operating Revenues	<u>161,678</u>	<u>171,000</u>	<u>(9,322)</u>
OPERATING EXPENSES			
Personal services	30,326	34,440	4,114
Contracted services	77,462	70,000	(7,462)
Materials and supplies	2,023	2,600	577
General and administrative	57,325	54,960	(2,365)
Depreciation and amortization	10,687	10,000	(687)
Depreciation on contributed assets	0	0	0
Total Operating Expenses	<u>177,823</u>	<u>172,000</u>	<u>(5,823)</u>
OPERATING INCOME (LOSS)	<u>(16,145)</u>	<u>(1,000)</u>	<u>(15,145)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	388	0	388
Interest expense	0	0	0
Ad valorem taxes	18,224	19,400	(1,176)
Intergovernmental			
State - Rural Development grants	0	0	0
State - Interim Emergency Board grants	0	0	0
State - DOTD highway maintenance	0	0	0
Total Non-Operating Revenues (Expenses)	<u>18,612</u>	<u>19,400</u>	<u>(788)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	2,467	18,400	(15,933)
OPERATING TRANSFERS IN	0	0	0
OPERATING TRANSFERS OUT	0	0	0
NET INCOME (LOSS)	<u>2,467</u>	<u>18,400</u>	<u>(15,933)</u>
Add Back: Depreciation on contributed assets	0	0	0
RETAINED EARNINGS			
Beginning of Year, as Restated	217,141	217,141	0
End of Year	<u>\$ 219,608</u>	<u>\$ 235,541</u>	<u>\$ (15,933)</u>

TOWN OF GRAND ISLE, LOUISIANA

GAS UTILITY FUND
 SCHEDULE OF OPERATING EXPENSES - ACTUAL AND BUDGET
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
PERSONAL SERVICES			
Salaries	\$ 24,398	\$ 28,800	\$ 4,402
Payroll taxes	1,813	1,740	(73)
Insurance - workmen's compensation	1,426	1,100	(326)
Insurance - hospitalization and other	2,689	2,800	111
Total Personal Services	<u>30,326</u>	<u>34,440</u>	<u>4,114</u>
CONTRACTED SERVICES			
Gas purchases	<u>77,462</u>	<u>70,000</u>	<u>(7,462)</u>
Total Contracted Services	<u>77,462</u>	<u>70,000</u>	<u>(7,462)</u>
MATERIALS AND SUPPLIES			
Installation materials and labor	1,975	2,000	25
Small tools and supplies	48	600	552
Total Material and Supplies	<u>2,023</u>	<u>2,600</u>	<u>577</u>
GENERAL AND ADMINISTRATIVE			
Audit	1,228	860	(368)
Bank charges	240	0	(240)
Insurance - general and auto	7,173	6,000	(1,173)
Interdepartmental administrative fee	6,000	6,000	0
Leak survey	900	3,000	2,100
Legal and professional	10,523	300	(10,223)
Miscellaneous	0	400	400
Office and janitorial supplies	335	900	565
Postage	811	1,000	189
Repairs and maintenance	0	3,200	3,200
Equipment and machines	0	25,000	(25,000)
Gas distribution	25,708	200	25,508
Office equipment	0	200	200
Gas meters	2,585	6,200	3,615
Tax collection commission	1,822	1,700	(122)
Training school	0	100	100
Travel and other	0	100	100
Total General and Administrative	<u>57,325</u>	<u>54,960</u>	<u>(2,365)</u>
DEPRECIATION			
Depreciation and amortization	10,687	10,000	(687)
Total Depreciation	<u>10,687</u>	<u>10,000</u>	<u>(687)</u>
TOTAL OPERATING EXPENSES	<u>\$ 177,823</u>	<u>\$ 172,000</u>	<u>\$ (5,823)</u>

AGENCY FUNDS

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

GRAND ISLE RELIEF FUND

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

TOWN OF GRAND ISLE, LOUISIANA

AGENCY FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2000

	<u>GRAND ISLE RELIEF</u>	<u>TOTAL</u>
ASSETS		
Cash and cash equivalents	\$ 7,565	\$ 7,565
TOTAL ASSETS	<u>\$ 7,565</u>	<u>\$ 7,565</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Due to taxing bodies and others	\$ 0	\$ 0
Relief funds payable	7,565	7,565
Total Liabilities	<u>7,565</u>	<u>7,565</u>
FUND BALANCE	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 7,565</u>	<u>\$ 7,565</u>

TOWN OF GRAND ISLE, LOUISIANA

AGENCY FUNDS

COMBINING SCHEDULE OF CHANGES IN DEPOSIT BALANCES

DUE TO OTHERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>GRAND ISLE RELIEF</u>	<u>TOTAL</u>
DEPOSIT BALANCES DUE TO OTHERS AT JUNE 30, 1999	\$ 7,396	\$ 7,396
COLLECTIONS		
Deposits:		
Interest income	169	169
Total Collections	<u>169</u>	<u>169</u>
DISTRIBUTIONS		
Deposits settled to:		
Town of Grand Isle General Fund	0	0
Disaster victims and vendors	0	0
Capital outlay - radio room furniture	0	0
Total Distributions	<u>0</u>	<u>0</u>
DEPOSIT BALANCES DUE TO OTHERS AT JUNE 30, 2000	\$ <u>7,565</u>	\$ <u>7,565</u>

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SUPPLEMENTARY INFORMATION

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TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF PAYMENTS TO ALDERMEN
For the Fiscal Year Ended June 30, 2000**

<u>ALDERMEN</u>	<u>AMOUNT</u>
Ray Santiny	\$ 5,037
Euris Dubois	5,037
Roger Camardelle	5,037
Leoda Bladsacker	5,037
Carroll Allemand	5,037
TOTAL	<u>\$ 25,185</u>

**TOWN OF GRAND ISLE
SCHEDULE OF CASH AND CASH EQUIVALENTS
June 30, 2000**

FUND/ACCOUNT	BANK	6/30/00 BANK BALANCE	6/30/00 BOOK BALANCE
GENERAL FUND			
CASH AND CHECKING			
Petty cash		\$ 0	\$ 100
Operating	South LaFourche Bank	182,527	162,148
Accounts payable	South LaFourche Bank	10,984	3,239
Payroll	South LaFourche Bank	14,068	768
Appearance Bonds	Community Bank	2,624	5,200
		<u>210,203</u>	<u>171,455</u>
LOUISIANA ASSET MANAGEMENT POOL			
General Fund Accounts		<u>287,470</u>	<u>287,470</u>
TOTAL GENERAL FUND		\$ <u>497,673</u>	\$ <u>458,925</u>
SPECIAL REVENUE			
CASH AND CHECKING			
Recreation Fund	State Bank	\$ 21,229	\$ 21,229
Community Center	South LaFourche Bank	111,460	108,203
Riverboat Gambling	South LaFourche Bank	29,733	29,733
Mosquito Control	South LaFourche Bank	7,259	6,552
Seizure and Forfeiture	South LaFourche Bank	3,272	3,272
Erosion Control	South LaFourche Bank	44,403	44,403
		<u>217,356</u>	<u>213,392</u>
LOUISIANA ASSET MANAGEMENT POOL			
Mosquito Control		3,043	3,043
Community Center		119,733	119,733
Riverboat Gambling Admission Fees		137,559	137,559
		<u>260,335</u>	<u>260,335</u>
TOTAL SPECIAL REVENUE FUNDS		\$ <u>477,691</u>	\$ <u>473,727</u>

(continued)

TOWN OF GRAND ISLE
SCHEDULE OF CASH AND CASH EQUIVALENTS (CONTINUED)
June 30, 2000

FUND/ACCOUNT	BANK	6/30/00 BANK BALANCE	6/30/00 BOOK BALANCE
PROPRIETARY FUND			
Waterworks - Unrestricted			
CASH AND CHECKING			
Water	South LaFourche Bank	\$ 209,882	\$ 168,595
Operating (O&M)	Hibernia	29,296	30,546
Petty Cash Drawer		0	100
		<u>239,178</u>	<u>199,241</u>
LOUISIANA ASSET MANAGEMENT POOL			
Water		20,786	20,786
Water - restricted		41,092	41,092
		<u>61,878</u>	<u>61,878</u>
Total Unrestricted		<u>301,056</u>	<u>261,119</u>
Waterworks - Restricted			
CASH AND CHECKING			
Meter Deposit	BankOne	3,012	3,041
Waterpipeline - Construction	South LaFourche Bank	2,007,153	2,007,153
Waterpipeline - Sinking	South LaFourche Bank	146,211	146,211
Waterpipeline - Reserve	South LaFourche Bank	7,324	7,324
		<u>2,163,700</u>	<u>2,163,729</u>
LOUISIANA ASSET MANAGEMENT POOL			
Meter Deposit		87,123	87,123
Waterpipelin - Depreciation and Contingencies		7,309	7,309
		<u>94,432</u>	<u>94,432</u>
Total Restricted		<u>2,258,132</u>	<u>2,258,161</u>
Total Waterworks Fund		<u>2,559,188</u>	<u>2,519,280</u>
Gas Fund			
CASH AND CHECKING			
Gas Operating	South LaFourche Bank	7,984	11,704
TOTAL PROPRIETARY FUNDS		<u>\$ 2,567,172</u>	<u>\$ 2,530,984</u>
TRUST & AGENCY			
CASH AND CHECKING			
Grand Isle Relief Fund	South LaFourche Bank	\$ 7,565	\$ 7,565
TOTAL TRUST & AGENCY		<u>\$ 7,565</u>	<u>\$ 7,565</u>
GRAND TOTAL		<u>\$ 3,550,101</u>	<u>\$ 3,471,201</u>

TOWN OF GRAND ISLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/PROJECT NUMBER	GRANT PERIOD		GRANT AMOUNT
			FROM	TO	
DIRECT PROGRAMS:					
ENVIRONMENTAL PROTECTION AGENCY					
State and Local Tribal Assistance Grant - Grand Isle Water Pipeline Project	66.Unknown (M)	XP-98623501-1	28-Dec-98	03/01/00	3,045,000 (2)
TOTAL ENVIRONMENTAL PROTECTION AGENCY					
TOTAL DIRECT PROGRAMS					
PASSED THROUGH GRANTS:					
DEPARTMENT OF EDUCATION					
Passed through Governor's Office of the State of Louisiana					
Governor's Safe and Drug Free Schools and Communities Act	84.186	Unknown	01-Jul-98	30-Jun-99	1,820
TOTAL DEPARTMENT OF EDUCATION					
DEPARTMENT OF JUSTICE					
Passed through Louisiana Commission on Law Enforcement					
Local Law Enforcement Block Grant Program - 800 MHz Radios	16.592	Not Yet Awarded	01-Apr-00	30-Sep-00	12,264 (1)
Local Law Enforcement Block Grant Program - 800 MHz Radios	16.592	97-77-Z.1C-0638	01-Jul-98	30-Sep-99	18,462 (1)
Passed through Jefferson Parish Sheriff's Office					
Local Law Enforcement Block Grant Program - 800 MHz Radios	16.592	98-LLEBG-101	01-Jan-99	30-Jun-99	7,622 (1)
TOTAL DEPARTMENT OF JUSTICE					
DEPARTMENT OF AGRICULTURE					
Passed through Louisiana Local Government Facility Planning					
Water Act 2000 - Lafitte to Grand Isle Waterline Project Loans	10.Unknown (M)	Case #22-026-0726014896	Project Completion		9,225,000 (2)
TOTAL DEPARTMENT OF AGRICULTURE					
TOTAL FEDERAL PASS-THROUGH PROGRAMS					

NOTES TO SCHEDULE

This schedule was prepared on the accrual basis of accounting and covers the period from July 1, 1999 to June 30, 2000.

(1) Amount represents federal share only. Town is required to provide a 10 percent match.

(2) Amount represents a federal loan, not a grant. The Town is matching the loan with funds received from a State Capital Outlay appropriation and other funds.

(3) It should be noted that the Town did provide matching funds to this grant through the Water Act 2000 Grant from the Department of Agriculture and from monies received from the State of Louisiana via the State Capital Outlay Program. See Water Act 2000 Grant listed in schedule.

(M) Represents a major grant under OMB Circular A-133.

ACCRUED (DEFERRED) REVENUE JUNE 30, 1999	CASH RECEIVED		ACCRUED (DEFERRED) REVENUE JUNE 30, 2000	TOTAL REVENUE RECOGNIZED	EXPENDITURES		TOTAL EXPENDITURES
	GRANT	OTHER			FEDERAL	OTHER	
\$ 0	\$ 3,045,000	\$ 0	\$ 0	\$ 3,045,000	\$ 3,045,000	\$ 0	\$ 3,045,000
0	3,045,000	0	0	3,045,000	3,045,000	0	3,045,000
0	3,045,000	0	0	3,045,000	3,045,000	0	3,045,000
0	1,820	0	0	1,820	1,820	0	1,820
0	1,820	0	0	1,820	1,820	0	1,820
0	0	0	3,414	3,414	3,414	0	3,414
(2,775)	0	308	0	3,083	2,775	308	3,083
(2,775)	0	308	3,414	6,497	6,189	308	6,497
7,622	7,622	0	0	0	0	0	0
7,622	7,622	0	0	0	0	0	0
4,847	7,622	308	3,414	6,497	6,189	308	6,497
609,731	7,954,889	4,281,885	0	11,607,043	6,075,890	4,281,885	10,357,775
609,731	7,954,889	4,281,885	0	11,607,043	6,075,890	4,281,885	10,357,775
614,578	7,944,331	4,282,193	3,414	11,615,360	6,083,899	4,282,193	10,366,092
\$ 614,578	\$ 10,989,331	\$ 4,282,193	\$ 3,414	\$ 14,660,360	\$ 9,128,899	\$ 4,282,193	\$ 13,411,092

TOWN OF GRAND ISLE

**SCHEDULE OF STATE FUNDING
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

<u>DESCRIPTION OF FUNDING</u>	<u>AMOUNT</u>
Department of Treasury - Tax Allocations	
Tobacco Tax	\$ 7,569
Beer Tax	6,534
Parish Transportation Funds	50,000
Vidco Poker Allocation	33,842
Grand Isle Tourist Commission Enterprise Tax	9,160
	<u>107,105</u>
Louisiana Commission on Law Enforcement Grants	
Act 562 - Equipment Grant (P00-7-001)	2,966
DARE (E99-7-001)	840
DARE (E00-7-001)	0
	<u>3,806</u>
Department of Culture, Recreation & Tourism	
Beach Clean-up Appropriation	<u>48,000</u>
Governor's Office of Rural Development	
Community Center Improvements Grant (#9899-JFN-0101)	1,546
Recreational Trail Grant (#99-LRT-JFN-0101)	0
	<u>1,546</u>
Department of Military Affairs	
Interim Emergency Board - Water Shortage 8/99	<u>183,337</u>
Department of Transportation and Development	
Highway 1 - Maintenance Agreement	<u>12,756</u>
State Capital Outlay Program	
Lafitte to Grand Isle Waterline (Project No. 50-MB1-97B-1)	<u>4,393,193</u>
 TOTAL	 \$ <u><u>4,749,743</u></u>

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2000

(UNAUDITED)

TYPE OF POLICY/RISKS COVERED	POLICY NO.	INSURER	EXPIRATION DATE
Physical Damage - Water Pipeline Limit of Liability - \$12,825,000 Deductible - \$25,000 windstorm Deductible - \$10,000 other claims	CUL 13979 030	Reliance National Insurance Company	03/10/2001
Fidelity Bonds - others	005613505	Continental Casualty	03/01/2001
Fidelity Bonds - treasurer	142232835	Continental Casualty	03/27/2001
Fire	CPF 0049103-03	LA Insurance Underwriter	06/30/2001
Flood Insurance - general	CC170007632916	Banker's Insurance	07/21/2000
Flood Insurance - warehouse	CC170007804041	Banker's Insurance	08/01/2000
Flood Insurance - city hall	CC170007804042	Banker's Insurance	08/01/2000
Flood Insurance - pump station #4	CC170007804035	Banker's Insurance	08/01/2000
Flood Insurance - pump station #3	CC170007804101	Banker's Insurance	08/01/2000
Flood Insurance - pump station #2	CC170007806269	Banker's Insurance	12/13/2000
Flood Insurance - pump station #1	CC170007804105	Banker's Insurance	08/01/2000
Flood Insurance - pump station - LA 1	CC170007806268	Banker's Insurance	12/13/2000
Umbrella Excess Liability Commercial General Liability General Total - \$2,000,000 Products and Completed Work - \$2,000,000 Personal Injury - \$1,000,000 Advertising Injury - \$1,000,000 Each Event Limit - \$1,000,000 Premises Damage Limit - \$100,000	GP09302042	St. Paul Fire & Marine Insurance Company	05/01/2001
Automobile Liability Bodily Injury and Property Damage Combined - \$1,000,000 per accident	GP09302042	St. Paul Fire & Marine Insurance Company	05/01/2001
Law Enforcement Liability Protection Total Limit - \$1,000,000 Each Wrongful Act - \$1,000,000 Each Wrongful Act Deductible - \$1,000	GP09302042	St. Paul Fire & Marine Insurance Company	05/01/2001
Public Entity Management Liability Protection Claims Made Total Limit - \$1,000,000 Each Wrongful Act - \$1,000,000 Each Wrongful Act Deductible - \$2,500	GP09302042	St. Paul Fire & Marine Insurance Company	05/01/2001
Standard Workmen's Compensation		Louisiana Municipal Risk Management Association	
Hospitalization Insurance - Employees		Louisiana Municipal Risk Management Association	

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF WATER RATES AND CONNECTIONS
JUNE 30, 2000

(UNAUDITED)

<u>CLASS OF CUSTOMER</u>	<u>(1) MINIMUM RATE</u>	<u>RATE AFTER FIRST 30 UNITS</u>	<u># OF CONNECTIONS</u>
Residential	\$6.50 for 30 units	\$3.50 per 1,000 gallons	505
Non-residential	\$10.00 for 30 units	\$4.00 per 1,000 gallons	1,315
Commercial	\$10.00 for 30 units	\$4.00 per 1,000 gallons	163
Industrial	\$25.00 for 30 units	\$7.50 per 1,000 gallons	4
Elderly	\$3.25 for 30 units	\$3.50 per 1,000 gallons	76
			<u>2,063</u>

(1) - one unit equals 100 gallons

SINGLE AUDIT SECTION

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

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

I have audited the general purpose financial statements of the Town of Grand Isle, Louisiana, as of and for the fiscal year ended June 30, 2000, and have issued my report thereon dated December 15, 2000. I conducted my audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

The results of my tests disclosed two instances of non-compliance that are required to be reported under *Government Auditing Standards*. The compliance findings are described in the accompanying Schedule of Findings and Reportable Conditions as items 00-1 and 00-2.

I also noted certain immaterial instances of noncompliance that I have reported to management in a separate letter entitled "Memorandum of Advisory Comments" dated December 15, 2000.

Internal Control Over Financial Reporting

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

The reportable condition is described in the accompanying Schedule of Findings and Reportable Conditions as item no. 00-3.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal controls over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe that item 00-3 described on the following schedule is a material weakness as defined above.

I also noted other matters involving the internal control over financial reporting that I have reported to the management of the Town in a separate letter entitled "Memorandum of Advisory Comments", dated December 15, 2000.

This report is intended solely for the information of the Town's management, all applicable Federal and State awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Paul C. Rivers, CPA

December 15, 2000

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

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

Compliance

I have audited the compliance of the Town of Grand Isle, Louisiana (the "Town") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. The Town's major federal programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. My responsibility is to express an opinion on the Town's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the town's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Town's compliance with those requirements.

In my opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control over Compliance

The management of the Town is responsible for establishing and maintaining an effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information of the Town's, management, all applicable Federal and State awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Paul C. Rivier, CPA

December 15, 2000

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2000**

Summary of Auditor's Results

- The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Town of Grand Isle, Louisiana (the "Town"), as of and for the year ended June 30, 2000.
- One reportable condition related to the audit of the financial statements is reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit in Accordance With *Government Auditing Standards*. The condition noted is believed to be a material weakness.
- Two instances of noncompliance material to the financial statements of the Town were noted during the audit and are reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit in Accordance With *Government Auditing Standards*.
- No reportable conditions relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
- The auditor's report on compliance for the major federal award programs for the Town expresses an unqualified opinion on all major federal programs.
- There are no findings relative to the major federal awards programs for the Town that require disclosure in this schedule.
- The programs tested as major federal award programs include:

CFDA	Program Name
66.Unknown	Environmental Protection Agency - State and Tribal Assistance Grant - Grand Isle Water Pipeline
10.Unknown	U. S. Department of Agriculture, Department of Rural Utilities Services - Water Act 2000 - Lafitte to Grand Isle Waterline Loan

- The threshold for determining Type A and Type B programs was \$300,000 (although it should be noted that the USDA assistance is "loan" and not a grant).
- The Town was not considered to be a "low-risk" auditee.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) For the Fiscal Year Ended June 30, 2000

Findings Relating to the Financial Statements

The results of my tests disclosed the following findings and reportable conditions. My consideration of the internal controls over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined by the American Institute of Certified Public Accountants. However, I believe that item 00-3 described below is a material weakness.

COMPLIANCE WITH LAWS AND REGULATIONS

00-1. FINDING

LRS 39:1225 requires that security for deposits shall at all times be equal to or greater than one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority. During my testing of securities pledged, it was noted that the Town's deposits at one of its banks were uncollateralized in the amount of \$470,075.

RESPONSE

The situation appears to have arisen at year end due to the water pipeline construction fund receiving monies at or near year end and the disbursements not being made immediately. Approximately \$800,000 was paid out on July 14, 2000 which would have brought the collected balances back in line with the amount pledged by the bank. We will notify the bank to monitor this situation better and do not anticipate it happening again.

00-2. FINDING

LRS 39:1308 requires that all action necessary to adopt and otherwise finalize and implement the budget for an ensuing fiscal year shall be taken in open meeting and completed prior to the end of the fiscal year in progress. During my testing of compliance, I noted that the Original Budget for the Fiscal Year Ending June 30, 2001 was not introduced until June 27, 2000 and was not adopted by the Council until July 25, 2000.

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 2000**

RESPONSE

We are aware that we were late in completing the budget, however, it should be noted that LRS 39:1311 provides that if, at the end of a fiscal year, the appropriations necessary for the support of the political subdivision for the ensuing fiscal year have not been made, then fifty percent of the amounts appropriated in the appropriation ordinance of the last completed fiscal year shall be deemed reappropriated. We will make every effort to see that future budgets are adopted prior to the end of the fiscal year.

REPORTABLE CONDITIONS

00-3. CONDITION

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

RECOMMENDATION

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

RESPONSE

We contacted our computer consultant about this problem during the year. He is still looking into the problem. We will contact him again.

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Fiscal Year Ended June 30, 2000**

Status of Prior Year Comments and Compliance Findings

Prior Year Comment No.	Prior Year Comment	Status
99-1	Utility Billing Summary did not agree to the receivable in the general ledger. Appears to be a computer glitch.	Comment Repeated - See CY Comment 00-3.

Findings and Questioned Costs - Major Federal Awards Programs Audit

NO FINDINGS OR QUESTIONED COSTS NOTED.

Status of Prior Year Findings and Questioned Costs - Major Federal Awards Programs

NO FINDINGS OR QUESTIONED COSTS NOTED IN PRIOR YEAR.

RECEIVED
TOWN OF GRAND ISLE
01 JAN 30 AM 11:11

MEMORANDUM OF ADVISORY COMMENTS

TOWN OF GRAND ISLE, LOUISIANA

For the Fiscal Year Ended June 30, 2000

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**INTERNAL CONTROL
AND RELATED MATTERS**

Paul C. Rivera, CPA

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

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the fiscal year ended June 30, 2000, and have issued my reports thereon dated December 15, 2000. As part of my audit, I considered the Town's internal control over financial reporting in order to determine the nature, timing, and extent of my auditing procedures for the purpose of expressing an opinion on the financial statements, and not to provide assurance on the internal control.

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

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

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

December 15, 2000

TOWN OF GRAND ISLE, LOUISIANA

**COMMENTS AND SUGGESTIONS
For the Fiscal Year Ended June 30, 2000**

PROTECTING THE ASSETS OF THE TOWN

00-1. COMMENT

As noted in the prior year, the Town does not maintain a formal in-house general ledger on its fixed assets. Instead, they have relied on the listing maintained by the Town CPA. While this listing can be assumed to be reliable, it is not maintained on a timely basis. It is updated annually during the audit. The Town does maintain an informal listing of items with tag numbers, however, this listing does not agree to the amounts recorded in the general fixed asset account group.

RECOMMENDATION

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

RESPONSE

With the construction of our new waterline occurring this past year, we were unable to devote the time and manpower necessary to resolve this comment. We will, however, review this with our CPA to determine when this can be accomplished. We anticipate having it done before the end of the June 30, 2001 fiscal year.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS (CONTINUED)

For the Fiscal Year Ended June 30, 2000

IMPROVING FINANCIAL REPORTING

00-2. COMMENT

As noted in the prior year, the Town currently bills residents for cutting grass on private property. These bills come in the form of an invoice and/or a lien on the property. While the receivable has been recorded upon issuance of an invoice or lien, the receipts have not been posted against the receivable. As such, there is a potential for a misstatement of the balance due.

RECOMMENDATION

The Town should reconcile the list of grass liens outstanding to the general ledger. Any collections should be monitored to determine whether the receivable or revenue account should be credited.

RESPONSE

The Town Treasurer will review the grass liens outstanding and make any adjustments necessary. We anticipate having this corrected prior to the end of the June 30, 2001 fiscal year.

TOWN OF GRAND ISLE, LOUISIANA
COMMENTS AND SUGGESTIONS (CONTINUED)
For the Fiscal Year Ended June 30, 2000

GENERAL COMMENTS

00-3. COMMENT

As noted in the prior year, the Town receives a number of small grants from the federal and state governments. During my testwork, I noted that the grant files are not being maintained properly and one grant folder could not be located. Also, the documentation was not kept in one place or in very good order..

RECOMMENDATION

The Town Clerk or the Town Treasurer should maintain a grant file on each grant received (including those administered by the Police Department). The file should contain the following documents:

1. Grant Award Letter
2. Grant Application/Budget
3. Expenditure Reports and supporting invoices
4. Receipts (copies of checks)
5. Progress or Status Reports

RESPONSE

The majority of the grants noted are handled by the Town's Police Department. The clerk handling the grants quit during the past fiscal year and was not replaced for several months. The new clerk has already been instructed on how to set the files up and what documents should be maintained. We do not anticipate this recurring in the next fiscal year.

00-4. COMMENT

Based on my discussions with the Town Treasurer, the Town's computer needs upgrading due to shortages in disk space.

RECOMMENDATION

The Town's management and its computer consultant should monitor the situation closely.

TOWN OF GRAND ISLE, LOUISIANA
COMMENTS AND SUGGESTIONS (CONTINUED)
For the Fiscal Year Ended June 30, 2000

GENERAL COMMENTS (CONTINUED)

RESPONSE

The Town Treasurer and the Town's computer consultant are monitoring the situation. We anticipate an upgrade to the computer system as soon as next fiscal year.

**COMPLIANCE WITH LAWS
AND REGULATIONS**

Paul C. Rivera, CPA

(504) 371-4390

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

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the fiscal year ended June 30, 2000, and have issued my reports thereon dated December 15, 2000. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions.

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

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

December 15, 2000

TOWN OF GRAND ISLE, LOUISIANA
SCHEDULE OF NONCOMPLIANCE WITH
LAWS AND REGULATIONS
For the Fiscal Year Ended June 30, 2000

00-1. FINDING

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

RESPONSE

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

00-2. FINDING

Article 7 § 20 of the 1974 Constitution prohibits municipalities from applying a homestead exemption to their tax bill. During my testing of ad valorem tax revenues, I noted that the Town is levying 12 mills on the property within the Town and is allowing a homestead exemption of \$2,500 on assessed property.

RESPONSE

We were unaware of this prohibition. This exemption was put in place by a previous administration and has been in place for several years. The total amount of taxes "lost" to this exemption is approximately \$9,000 and is considered immaterial. We will refer this finding to our Town attorney for review. We will also investigate the Board's intent when the exemption was put into place.

**STATUS OF PRIOR YEAR
COMMENTS AND FINDINGS**

TOWN OF GRAND ISLE, LOUISIANA

STATUS OF PRIOR YEAR COMMENTS AND FINDINGS

June 30, 2000

Prior Year Comment No.	Prior Year Comment	Status
99-1.	The Town should reconcile tagged item list with fixed asset ledger.	See CY Comment No. 00-1.
99-2.	The Town should reconcile the list of grass liens outstanding.	See CY Comment No. 00-2
99-3.	The Town's recap of meter deposits was not being reconciled to the ledger.	Comment deleted - Recap reconciled in CY.
99-4.	The Town should put its grant folders in better order.	See CY Comment No. 00-3
99-5	Y2K situation should be monitored.	Comment deleted - The Town's system is working properly.
Compliance Finding No. 99-1.	The Town was in violation of the Solid Waste Rules and Regulations.	See CY Finding No. 00-1