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CITY OF GRAMBLING  
GRAMBLING, LOUISIANA

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1958

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MAY 22 1959

Original Date \_\_\_\_\_

CITY OF GRAMBLING, LOUISIANA  
GRAMBLING, LOUISIANA

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1998

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GRAMBLING, LOUISIANA

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GRAMBLING, LOUISIANA

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## FINANCIAL SECTION

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Certified Public Accountant  
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INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Grambling  
Grambling, LA 71243

I have audited the accompanying general purpose financial statements and the combining, individual fund and account group financial statements of the City of Grambling as of December 31, 1998, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the City of Grambling's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the City of Grambling at December 31, 1998, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles. Also, in my opinion, the combining and individual fund, and account group financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Grambling as of December 31, 1998, and the results of operations of such funds and the cash flows of the individual proprietary fund for the year then ended, in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The accompanying financial information listed as supplementary information in the table of contents on pages 64 to 70, is presented for purposes of additional analysis and is not a

To the City Council  
City of Grambling  
Page 3

required part of the financial statements of the City of Grambling, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, and individual fund and account group financial statements and, in my opinion is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

Respectfully,



Madan L. Herzigian  
Certified Public Accountant

June 10, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS**



**CITY OF GRAMBLING, LOUISIANA**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**Combined Balance Sheet, December 31, 1998**

	GOVERNMENTAL FUNDS			
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PRODUCTS FUNDS
<b><u>ASSETS AND OTHER DEBITS</u></b>				
Cash and cash equivalents	70,283	194,734	32,309	
Investments	78,552	-	74,928	168,666
Receivables (net of allowance for uncollectibles)				
Taxes	12,844	32,978	21,820	6,663
Accounts	22,485	-	440	-
Due from other funds	2,897	60,000	1,659	6,240
Due from other governmental agencies	-	-	-	-
Restricted assets				
Cash	-	-	-	-
Investments, at cost	-	-	-	-
Fixed assets	-	-	-	-
Utility plant and equipment (net)	-	-	-	-
Amount available in debt service funds	-	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>188,729</b>	<b>217,700</b>	<b>130,356</b>	<b>175,574</b>
<b><u>LIABILITIES, EQUITY, AND OTHER CREDITS</u></b>				
<b><u>LIABILITIES</u></b>				
Accounts payable	1,567	-	-	-
Accrued and other liabilities	6,483	-	-	-
Payable from restricted assets				
Accounts payable	-	-	-	-
Accrued (interest) payable	-	-	-	-
Accrued interest payable	-	-	-	-
Customer's deposits	-	-	-	-
Due to other funds	61,764	-	74,386	-
Bonds payable				
General obligation bonds payable	-	-	-	-
Revenue bonds payable	-	-	-	-
Accumulated unpaid compensated absences	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>71,813</b>	<b>-</b>	<b>74,386</b>	<b>-</b>

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	GENERAL	December 31, 1998	December 31, 1997
	FIXED ASSETS	LONG-TERM OBLIGATIONS		
201,361	-	-	438,676	341,298
-	-	-	320,148	346,428
18,807	-	-	84,310	68,288
88,680	-	-	123,605	134,939
76,350	-	-	146,251	146,251
12,358	-	-	12,358	13,080
221,816	-	-	221,816	221,741
161,861	-	-	161,861	123,968
-	1,197,459	-	1,197,459	1,134,959
4,708,787	-	-	4,708,787	5,081,987
-	-	67,841	67,841	81,653
<u>5,491,848</u>	<u>1,197,459</u>	<u>67,841</u>	<u>5,481,138</u>	<u>5,709,573</u>
17,347	-	-	20,604	23,266
1,696	-	-	7,489	3,872
-	-	-	-	-
158,000	-	-	158,000	80,175
68,367	-	-	68,367	59,608
70,680	-	-	70,680	75,484
30,101	-	-	146,251	146,251
-	-	40,000	40,000	55,000
2,376,075	-	-	2,376,075	2,480,598
-	-	77,841	77,841	26,853
<u>2,694,068</u>	<u>-</u>	<u>67,841</u>	<u>2,968,108</u>	<u>2,983,917</u>

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**Combined Balance Sheet, December 31, 1988**

	GOVERNMENTAL FUNDS			
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
<b>FUND EQUITY:</b>				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings				
Reserved for debt retirement	-	-	-	-
Unreserved	-	-	-	-
Fund balances				
Reserved	-	-	55,930	-
Unreserved and undesignated	114,447	227,768	-	179,674
<b>TOTAL FUND EQUITY</b>	<b>114,447</b>	<b>227,768</b>	<b>55,930</b>	<b>179,674</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>186,266</b>	<b>227,768</b>	<b>133,356</b>	<b>179,674</b>

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	GENERAL	December 31, 1998	December 31, 1997
	FIXED ASSETS	LONG-TERM LIABILITIES		
1,398,183	-	-	1,398,183	1,398,183
-	1,197,459	-	1,197,459	1,174,999
114,311	-	-	114,311	114,311
1,284,477	-	-	1,284,477	1,517,308
-	-	-	55,970	81,000
-	-	-	521,821	458,531
<u>2,797,774</u>	<u>1,197,459</u>	<u>-</u>	<u>4,973,034</u>	<u>4,743,019</u>
<u>5,491,849</u>	<u>1,197,459</u>	<u>67,841</u>	<u>7,481,130</u>	<u>7,709,572</u>

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**GOVERNMENTAL FUND TYPES**  
**Combined Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances/Equity**  
**For the Year Ended December 31, 1998**

	GOVERNMENTAL FUNDS			
	GENERAL FUND	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 37,648	\$ -	\$ 15,548	\$ -
Sales and use	285,673	-	-	-
Other taxes, penalties, interest, etc.	3,078	-	-	-
Licenses and permits	181,411	-	-	-
Intragovernmental revenues	103,582	117,111	-	-
Fines and forfeitures	194,285	-	-	-
Use of money and property	3,093	-	-	-
Other revenues	56,208	48,563	5,009	7,936
Total revenues	702,973	165,672	20,557	7,936
<b>EXPENDITURES</b>				
General government	171,426	-	-	-
Public safety	428,691	-	-	-
Health and sanitation	-	125,575	-	-
Highways and streets	21,540	-	-	-
Park and recreation	9,814	-	-	-
Debt Service	-	-	18,577	-
Total expenditures	633,371	125,575	18,577	-
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>				
	69,602	40,097	280	7,936
<b>OTHER FINANCING SOURCES (Uses)</b>				
Operating transfers in	326,148	3,728	-	-
Operating transfers out	311,189	25,080	26,478	-
Total other financing sources (uses)	15,000	(21,352)	(26,478)	-

The accompanying notes are an integral part of this statement.

**TOTALS**  
**(MERCHANDISE ONLY)**

1998	1997
\$ 33,193	\$ 61,639
265,872	181,585
2,070	848
181,411	103,488
219,699	210,839
194,288	113,421
3,085	2,760
117,715	84,250
897,138	760,792
171,426	166,583
428,991	421,313
125,575	110,346
21,940	27,613
9,614	11,368
19,772	131,744
368,923	868,049
128,215	(107,257)
328,868	-
382,579	-
(53,711)	-

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**GOVERNMENTAL FUND TYPES**  
**Combined Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances/Equity**  
**For the Year Ended December 31, 1998**

	GOVERNMENTAL FUNDS			
	GENERAL FUND	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	54,441	33,317	(25,893)	7,936
<b>FUND BALANCES (Deficit), BEGINNING</b>	75,910	208,683	81,660	171,738
<b>FUND BALANCES (Deficit), ENDING</b>	<u>\$ 130,351</u>	<u>\$ 241,999</u>	<u>\$ 55,767</u>	<u>\$ 179,674</u>

The accompanying notes are an integral part of this statement.

TOTALS  
(MEMORANDUM ONLY)

<u>1998</u>	<u>1997</u>
55,304	(107,257)
338,191	645,448
<u>\$ 633,695</u>	<u>\$ 538,191</u>

The accompanying notes are an integral part of this statement.



**CITY OF GRAMBLING, LOUISIANA**  
**GOVERNMENTAL FUNDS - PRIMARY GOVERNMENT**  
**GENERAL AND SPECIAL REVENUE FUNDS**

**Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget  
Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 1998**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
<b>Taxes:</b>			
Ad valorem	\$ 41,500	\$ 37,645	\$ (3,855)
Sales and use	210,800	205,872	(4,928)
Other taxes, penalties, interest, etc.	1,000	2,070	1,070
Licenses and permits	113,490	101,411	(12,079)
Intergovernmental revenues	61,800	40,588	(21,212)
Fines and forfeitures	258,600	294,289	(35,340)
Use of money and property	3,700	3,055	(645)
Other revenues	11,100	50,200	45,100
Total revenues	696,700	647,069	(52,631)
<b>EXPENDITURES</b>			
General government	162,570	171,426	21,144
Public safety	408,826	420,591	30,825
Health and sanitation	-	-	-
Highways and streets	22,800	21,540	480
Park and recreation	12,805	9,804	2,421
Debt service	-	-	-
Total expenditures	607,101	623,971	80,860
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	89,599	23,098	31,239

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE FUND			TOTALS (MEMORANDUM ONLY)		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ 41,500	\$ 37,648	\$ (3,852)
-	-	-	210,500	205,873	(4,628)
-	-	-	1,000	2,070	1,070
-	-	-	113,400	101,411	(12,000)
130,000	117,101	(12,899)	191,000	183,707	(8,000)
-	-	-	250,000	194,289	(55,711)
-	-	-	3,700	3,000	(700)
50,000	48,561	(1,439)	60,000	104,760	41,660
182,000	165,672	(16,328)	881,700	812,741	(68,959)
-	-	-	182,570	173,420	(9,150)
-	-	-	460,000	438,891	(21,109)
138,025	125,575	(12,450)	139,675	125,575	(14,100)
-	-	-	22,000	21,500	(500)
-	-	-	12,025	9,814	(2,211)
138,025	125,575	(12,450)	827,100	749,146	(77,954)
42,025	40,097	(1,928)	54,594	61,595	9,001

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**GOVERNMENTAL FUNDS - PRIMARY GOVERNMENT**  
**GENERAL AND SPECIAL REVENUE FUNDS**

Combined Statement of Revenues, Expenditures,  
 and Changes in Fund Balances - Budget  
 Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 1988

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>OTHER FINANCING SOURCES (Uses)</b>			
Operating transfers in	30,000	126,148	286,148
Operating transfers out	-	(231,108)	(231,108)
Total other financing sources (uses)	30,000	15,040	(14,861)
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	42,269	38,537	(3,732)
<b>FUND BALANCES (Deficit), BEGINNING</b>		75,910	
<b>FUND BALANCES (Deficit), ENDING</b>		114,447	

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE FUND			TOTALS (MEMORANDUM ONLY)		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
-	3,720	3,720	10,000	328,888	298,888
(25,000)	25,000	-	(25,000)	(304,100)	(311,100)
(25,000)	(21,280)	3,720	5,000	(6,211)	(11,211)
17,325	18,817	1,492	59,504	57,354	(2,150)
	208,883			284,793	
	<u>\$227,700</u>			<u>\$142,147</u>	

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**PROPRIETARY FUND TYPE**  
**Combined Statement of Revenues, Expenses, and**  
**Changes in Retained Earnings**  
**For the Year Ended December 31, 1998**

<b>OPERATING REVENUES</b>	
Charges for services:	
Water sales	\$ 279,394
Water connection charges	2,847
Sewerage fees	218,777
	<hr/>
Total operating revenues	499,998
<b>OPERATING EXPENSES</b>	
Water department	167,868
Sewer distribution department	178,811
Sewer plant department	171,624
	<hr/>
Total operating expenses	687,503
	<hr/>
<b>OPERATING INCOME (Loss)</b>	<b>(187,575)</b>
<b>NONOPERATING REVENUES (Expenses)</b>	
Other income	30
Interest income	18,214
Ad valorem tax	28,993
Intergovernmental revenue	-
Interest expense	(184,820)
	<hr/>
Total nonoperating revenues (expenses)	(57,583)
	<hr/>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>(245,158)</b>
<b>OPERATING TRANSFERS IN (Out)</b>	
Operating transfers in	305,299
Operating transfers out	274,868
	<hr/>
Total operating transfers in (out)	30,427

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**PROPRIETARY FUND TYPE**  
**Combined Statement of Revenues, Expenses, and**  
**Changes in Retained Earnings**  
**For the Year Ended December 31, 1976**

NET INCOME (Loss)	<u>(252,711)</u>
RETAINED EARNINGS (Deficit), BEGINNING	1,517,208
RETAINED EARNINGS (Deficit), ENDING	<u>\$ 1,264,497</u>

The accompanying notes are an integral part of this statement.

**CITY OF GRAMLING, LOUISIANA**  
**PROPRIETARY FUND TYPE**

Combined Statement of Revenues, Expenses, and  
 Changes in Retained Earnings - Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 1998

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>OPERATING REVENUES</b>			
Charges for services:			
Water sales	\$ 278,000	278,304	(7,696)
Water connection charges	4,000	2,847	(1,153)
Beverage fees	236,500	218,777	(17,723)
<b>Total operating revenues</b>	<u>518,500</u>	<u>499,928</u>	<u>(18,572)</u>
<b>OPERATING EXPENSES</b>			
Water department	253,000	347,668	112,908
Sewer distribution department	58,000	138,811	100,811
Sewer plant department	135,240	171,824	36,578
<b>Total operating expenses</b>	<u>446,240</u>	<u>657,303</u>	<u>249,157</u>
<b>OPERATING INCOME (Loss)</b>	<u>43,154</u>	<u>(258,375)</u>	<u>(248,719)</u>
<b>NONOPERATING REVENUES (Expenses)</b>			
Other income	-	36	36
Interest income	3,980	18,214	14,214
Ad valorem tax	27,000	28,993	1,993
Interest expense	(127,000)	(104,828)	22,174
<b>Total nonoperating revenues (expenses)</b>	<u>(96,020)</u>	<u>(57,585)</u>	<u>38,517</u>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<u>(52,866)</u>	<u>(263,158)</u>	<u>(210,212)</u>
<b>OPERATING TRANSFERS IN (Out)</b>			
Operating transfers in	-	385,295	385,295
Operating transfers out	-	(274,868)	(274,868)
<b>Total operating transfers in (out)</b>	<u>-</u>	<u>110,427</u>	<u>110,427</u>

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**PROPRIETARY FUND TYPE**

Combined Statement of Revenues, Expenses, and  
 Changes in Retained Earnings - Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 1988

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE  <u>(UNFAVORABLE)</u>
NET INCOME (Loss)	(52,846)	(232,731)	(179,885)
RETAINED EARNINGS (Deficit), BEGINNING		1,517,288	
RETAINED EARNINGS (Deficit), ENDING		<u>\$1,284,477</u>	

The accompanying notes are an integral part of this statement.



**CITY OF GRAMBLING, LOUISIANA**  
**PROPRIETARY FUND**

*Combined Statement of Cash Flows*  
*For the Year Ended December 31, 1998*

<b>Cash flows from operating activities:</b>	
Operating (loss)	\$ (208,375)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Increase in taxes receivable	(1,388)
Decrease in accounts receivable	24,945
Increase in due from other governmental agencies	(12,358)
Increase in investments	
Increase in accounts payable	8,204
Increase in accrued liabilities	17
Depreciation	145,683
Other	
<b>Net cash provided by operating activities</b>	<b>156,318</b>
<b>Cash flows from noncapital financing activities:</b>	
Other income	38
Ad valorem taxes	28,988
Transfers (net)	30,427
<b>Net cash provided by noncapital financing activities</b>	<b>59,453</b>
<b>Cash flow from capital and related financing activities:</b>	
Decrease in financing payables	750
Purchase of PP&E	(2,484)
Principal paid on bonds	(28,898)
Interest paid on bonds	(189,826)
<b>Net cash (used by) capital and related financing activities</b>	<b>(210,278)</b>
<b>Cash flows from investing activities:</b>	
Interest income	18,214
<b>Net cash provided by investing activities</b>	<b>18,214</b>

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**PROPRIETARY FUND**  
**Combined Statement of Cash Flows**  
**For the Year Ended December 31, 1998**

Net increase in cash and cash equivalents	<u>91,920</u>
Cash and cash equivalents at beginning of year	422,978
Cash and cash equivalents at end of year	<u><u>514,898</u></u>
Cash in current assets	285,952
Cash in restricted assets	221,816
Total cash and cash equivalents	<u><u>\$ 514,898</u></u>

The accompanying notes are an integral part of this statement.

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**CITY OF GRAMBLING, LOUISIANA**  
**Notes to the Financial Statements**  
**December 31, 1998**

The accounting and reporting policies of the City of Grambling conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirement of Louisiana Revised Statutes 24:517 and to the guidelines set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audit of State and Local Governmental Units.

The following notes to the financial statements are an integral part of the City's General Purpose Financial Statements.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The City of Grambling, Louisiana, was incorporated in 1939 under the provisions of the Louisiana Act. The City operates under a Mayor-Board of Aldermen form of government. The City's major operations include public safety, fire protection, public works, recreation and parks, utility services, and general administrative services.

The National Council of Governmental Accounting (NCGA), in order to clarify which organizations, functions, and activities of government should be included in general purpose financial statements, issued NCGA-3 (Defining the Governmental Reporting Entity) in December 1981. The NCGA has been replaced by the Governmental Accounting Standards Board (GASB), but the latter organization has endorsed NCGA-3. In issuing NCGA-3, the NCGA's intention was to provide a basis for making comparisons among units of government, to reduce the possibility of arbitrary exclusion and to enable financial statement users to identify the operations for which governmental entities are responsible. The NCGA concluded that the basic criterion for including an agency, institution, authority, or other organization in a governmental unit's reporting entity is the exercise of oversight responsibility over such agencies by the governmental unit's elected officials. Oversight responsibility is defined to include, but is not limited to:

(1) **Financial Interdependency**

When a separate agency produces a financial benefit for or imposes a financial burden on a unit of government, that agency is part of the reporting entity. Manifestations of financial interdependency include responsibility for financial deficits, commitments to employees, and guarantees of, or "moral responsibility" for, debt.

**CITY OF GRAMBLING, LOUISIANA**  
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- (2) **Selection of Governing Authority**  
An authoritative appointment is one where the entity's chief elected official maintains a significant continuing relationship with the appointed officials with respect to carrying out important public functions.
- (3) **Designation of Management**  
When management is appointed by and held accountable to a governing authority that is included in the entity, the activity being managed falls within the entity.
- (4) **Ability to Significantly Influence Operations**  
This ability includes, but is not limited to, the authority to revise and approve budgetary requests, adjustments, and amendments.
- (5) **Accountability for Fiscal Matters**  
Fiscal authority normally includes the authority for final approval over budgetary appropriations, responsibility for funding deficits and operating deficiencies, disposal of surplus funds, control over the collection and disbursement of funds, and maintenance of title to assets.

There may be, however, factors other than oversight that are so significant that exclusion of a particular agency from a reporting entity's financial statements would be misleading. These other factors include:

- a. **Scope of Public Service** - Aspects to be considered include who the activity benefits and whether it is conducted within the entity's geographic boundaries and generally available to its citizens.
- b. **Special Financing Relationship** - Such a relationship may have been created to benefit the entity by providing for the insurance of debt on behalf of the entity.  
Based on the criteria established by NCGA-3, as supplemented by NCGA Interpretation 7 (Clarification as to the Application of the Criteria in NCGA Statement 3-Defining the Governmental Reporting Entity), the City of Grambling's financial statements do not include the Housing Authority of the City of Grambling. The

**CITY OF GRAMBLING, LOUISIANA**  
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Authority provides housing to qualified residents and is funded through Government grants and rental charges. The City is not responsible for funding its deficits nor does it have the right to its surpluses. Except as cited above, this report includes all funds and account groups which meet the above criteria. No other potential component units have been included or excluded in this report.

**B. BASIS OF PRESENTATION - FUND ACCOUNTING**

The accounts of the City of Grambling are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The City has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and Expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

The funds are grouped into two fund types and five generic funds as described below:

**(1) General Fund Types**

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

**a. General Fund**

This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

**b. Special Revenue Funds**

These funds are established to account for the proceeds of specific revenue sources other than expendable trusts or major capital projects that are legally restricted to expenditures for specified

**CITY OF GRABLIING, LOUISIANA**  
**Notes to the Financial Statements**  
**December 31, 1998**

purpose.

**c. Debt Service Funds**

These funds are established for the purpose of accumulating resources for the payment of interest and principle on long-term general obligation debt other than those payable from Enterprise Funds.

**d. Capital Projects Funds**

Capital Projects Funds are used to account for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Principal sources of revenue are municipal long-term debt proceeds, interest income and various types of grants.

**(2) Proprietary Fund Types**

These funds account for operations that are organized to be self-supporting through user charges. Included in this category are the Enterprise Funds.

**a. Enterprise Funds**

These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**(3) General Fixed Assets Account Group**

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Funds.

**(4) General Long-Term Debt Account Group**

This is not a fund but rather an account group that is used to account for the outstanding principle balances of general obligation bonds and other long-term debt not reported in proprietary funds.

**CITY OF GRAMBLING, LOUISIANA**  
**Notes to the Financial Statements**  
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**C. BASIS OF ACCOUNTING**

Governmental funds, Expendable Trust Funds, and Agency Funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash. General property taxes, self-assessed taxes and investment earnings are recorded when earned (when they are measurable and available).

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenses, and other long-term obligations which are recognized when paid.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Agency Fund assets and liabilities are accounted for on the modified accrual basis.

**D. BUDGETARY DATA**

Formal budgetary accounting is employed as a management control for the General and Special Revenue Funds of the City. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgets for Debt Service and Capital Projects Funds are not adopted and are therefore not presented in the accompanying combined and combining financial statements. Budgetary control is exercised at the departmental level or by projects.

All unencumbered budget appropriations lapse at the end of each fiscal year.

**E. CASH & CASH EQUIVALENTS**

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Certificates of deposit and other securities with original maturities over three months are classified as short-term investments and stated at cost, which



**CITY OF GRAMBLING, LOUISIANA**  
**Notes to the Financial Statements**  
**December 31, 1998**

approximates market value.

**F. RECEIVABLES**

All receivables are reported at their gross value and, reduced by the estimated portion that is expected to be uncollectible.

**G. INVESTMENTS**

Investments are valued at cost.

**H. DUE TO AND DUE FROM OTHER FUNDS**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

**I. INTEREST RECEIVABLE**

Interest on investments is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

**J. INVENTORIES**

Inventories for all governmental funds are valued at cost (first-in, first-out). Reported inventories in these funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation, even though they are a component of reported assets.

**K. RESTRICTED ASSETS**

Enterprise funds, based on certain bond covenants, are required to establish and maintain prescribed amount of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt.

**L. PROPERTY, PLANT AND EQUIPMENT**

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, sidewalks, bridges and drainage improvements are capitalised. Property, plant and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditures and capitalised at cost in the General Fixed Assets Account Group.

**CITY OF GRANBLING, LOUISIANA**  
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Property, plant and equipment acquired by proprietary funds are capitalized in the respective funds which it applies.

Property, plant and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation of exhaustible fixed assets used by proprietary funds are charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds' balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

**M. LONG-TERM DEBT**

Long-term general obligations of the City are reported in the General Long-Term Debt Account Group. Long-term liabilities for revenue bonds are reported in the appropriate Enterprise Fund.

**N. PENSIONS**

All employees are covered under Social Security benefits.

**O. FUND EQUITY**

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution. Reserved retained earnings for proprietary funds represent the net assets that have been legally identified for specific purposes.

**P. REVENUES AND EXPENDITURES/EXPENSES**

Revenues for governmental funds are recorded when they are determined to be both measurable and available.

Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

**CITY OF GHAMBLING, LOUISIANA**  
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Revenues and expenses of proprietary funds are recognized utilizing the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Q. PROPERTY TAX REVENUES**

Property taxes levied are based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A reevaluation of all real property must be made every four years. The last reevaluation date was January 1998.

**R. VACATION, SICK LEAVE, AND OTHER COMPENSATED ABSENCES**

The City of Gumbling recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will

**CITY OF GRAMBLING, LOUISIANA**  
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result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and lawsuits.

- k. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

For governmental and similar trust funds, only the current portion of the liability for compensated absences should be reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability should be reported in the general long-term obligations account group.

At December 31, 1998, employees of the City had accumulated and vested \$27,641 of employer leave benefits. This amount is recorded within the general long-term obligations account group.

**8. COMPARATIVE DATA**

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**CITY OF GRABLING, LOUISIANA**  
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**T. TOTAL COLUMNS**

The Combined Financial Statements include a total column that is described as memorandum only. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Intertial transactions have not been eliminated from the total columns of each financial statement.

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. COMPLIANCE WITH BOND COVENANTS**

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

**B. DEPOSITS WITH FINANCIAL INSTITUTIONS**

State statute requires that the City's deposits be collateralized by securities. All deposits were adequately collateralized at December 31, 1998. However, it is undeterminable if this requirement was complied with throughout the year.

**C. EXCESS OF EXPENDITURES OVER REVENUE**

One fiscal had expenditures that exceeded revenue for the current year.

**3. CASH**

All significant bank balances of deposits as of the balance sheet date are insured or collateralized with securities.

**4. PROPERTY TAXES**

Property taxes are attached as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from all valuation taxes are budgeted in the year billed. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Lincoln Parish.

All property taxes are recognized in compliance with NCOA Interpretation-3

**CITY OF GRAMBLING, LOUISIANA**  
**Notes to the Financial Statements**  
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(Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 90 days after the close of the current period.

For the year ended December 31, 1998, taxes of 13.00 mills were levied on property with assessed valuations totalling \$5,960,210.00 and were dedicated as follows:

General Corporate Purposes	7.0 Mills
Debt Service	3.0 Mills
Water Maintenance	3.0 Mills

Total taxes levied were \$90,746. Taxes receivable at December 31, 1998, consisted of the following:

Taxes receivable - current roll	\$ 45,397
Taxes receivable - prior roll	12,250
Allowance for uncollectible taxes	<u>(12,866)</u>
<b>TOTAL</b>	<b><u>44,672</u></b>

**5. INVESTMENTS**

The City is authorized to make direct investments in United States government bonds, treasury notes, treasury bills or certificates, or time certificates of deposit of state banks organized under the Laws of Louisiana and national banks having their principal office in the State of Louisiana or any other federally insured investment.

The City's investments are categorized below to give an indication of the level of risk assumed by the City at year end. Category 1 provides for investments insured or registered, or securities held by the City or its agents in the City's name. Category 2 provides for uninsured and unregistered securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered securities held by the counterparty or by its trust department or agent but not in the City's name. In accordance with GASB 3, this category includes certificates of deposit or money market accounts that are collateralized with securities held by the pledging

**CITY OF GRABBLING, LOUISIANA**  
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financial institution or by its trust department or agent but not in the City's name although balances so collateralized meet the requirements of state law. Of the amount shown in Category 3, \$772,876 is collateralized by securities held by the pledging financial institution's agent but not in the City's name.)

	<u>CATEGORY</u>			<u>CARRYING</u> <u>AMOUNT</u>	<u>MARKET</u> <u>VALUE</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Savings and Certificates of deposit	<u>—</u>	<u>—</u>	<u>\$15,108</u>	<u>\$15,108</u>	<u>\$15,108</u>

**6. DUE TO/FROM OTHER FUNDS**

	<u>Interfund</u> <u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
General Fund	\$ 2,097	\$ 41,764
Debt Service Fund	1,659	34,066
Utility Fund	74,052	3,000
Capital Projects Fund	6,345	-
Health & Sanitation	<u>68,890</u>	<u>-</u>
	<u>144,053</u>	<u>144,153</u>

**7. DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at December 31, 1998, consisted of the following:

Due From State of Louisiana & Other Federal Agency	<u>\$ 10,024</u>
<b>TOTAL</b>	<u>10,024</u>

**CITY OF GRAMBLING, LOUISIANA**  
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**8. PROPERTY, PLANT, AND EQUIPMENT**

	Balance 1-1-98	Additions	Deletions	Balance 12-31-98
Land	\$ 37,392	\$ -	\$ -	\$ 37,392
Buildings	298,685	20,000	-	318,685
Improvements Other - Van Buildings	323,037	-	-	323,037
Equipment	516,255	2,500	-	518,755
Construction in Progress	-	-	-	-
<b>Total General Fixed Assets</b>	<b><u>1,174,369</u></b>	<b><u>22,500</u></b>	<b><u>-</u></b>	<b><u>1,196,869</u></b>

A summary of proprietary fund type property, plant and equipment and depreciation at December 31, 1998 follows:

Property, Plant & Equipment	LIFE		Additions	Deletions	Balance 12-31-98
	In Years	Balance 1-1-98			
Land/Improvements		\$ 16,536	\$ -	-	\$ 16,536
Waterworks/Sewer System	15-20	2,854,913	-	-	2,854,913
Automobiles/Trucks	3	12,758	-	-	12,758
Office Equipment	3-5	44,808	-	-	44,808
Sandy Equipment	3-5	56,524	2,484	-	59,008
Sewage Plant	15-20	2,489,175	-	-	2,489,175
Waterworks	15-20	<u>1,430,472</u>	<u>-</u>	<u>-</u>	<u>1,430,472</u>
<b>Total</b>		<b>6,825,176</b>	<b>2,484</b>	<b>-</b>	<b>6,827,660</b>
<b>Less: Accumulated Depreciation</b>		<b><u>1,703,889</u></b>	<b><u>349,683</u></b>	<b><u>-</u></b>	<b><u>2,118,872</u></b>



**CITY OF GRAMBLING, LOUISIANA**  
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Net Property, Plant  
and Equipment

	<u>5,051,982</u>	<u>-</u>	<u>-</u>	<u>4,708,388</u>
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**9. CLAIMS AND JUDGMENTS**

The City of Grambling participated in various state and federal programs in previous fiscal years. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed, based on subsequent audits, they will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

**10. RESTRICTED ASSETS, ENTERPRISE FUND**

Under terms of various bond indentures, the Enterprise Fund is required to establish and maintain a Bond Reserve Fund, Bond Interest Redemption Fund, and a Contingency Fund. In addition to these funds, the City maintains a Customer Deposit Fund.

Components of the various Restricted Assets are as follows:

	Cash	Investments	Total
Cash-Construction Projects	\$ -	\$ -	\$ -
Bond and Interest Redemption	119,904	68,242	188,146
Reserve	-	111,804	111,804
Contingency/Replacement	-	21,587	21,587
Customer Deposit	-	70,169	70,169
	<u>119,904</u>	<u>269,793</u>	<u>389,697</u>

**11. CHANGES IN LONG-TERM DEBT**

The following is a summary of bond transactions of the City for the year ended December 31, 1998

	General Obligations	Revenue Bonds Issued	Total
Debt Payable January 1, 1998	\$ 35,000	\$ 2,573,775	\$2,608,775

**CITY OF GRAMBLING, LOUISIANA**  
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Bonds Issued	-	-	-
Bonds Retired	(15,000)	(84,313)	(99,313)
Bond Payable, December 31, 1998	<u>40,000</u>	<u>2,493,058</u>	<u>2,533,058</u>

Bonds payable at December 31, 1998 are comprised of the following individual issues:

General Obligation Bonds	Bonds Outstanding 12-31-98
<p>\$285,000 1984 Sewer System Improvement Bonds, due in annual installments of \$30,000 to \$30,000 through April 1, 2004, interest at 9.00 percent (this issue secured by levy and collection of ad valorem taxes)</p>	\$ 40,000
Total	\$ 40,000
<b>Revenue Bonds</b>	
<p>300,000 1970 Water Sewer System Junior Lien Revenue Bonds, due in annual installments of \$9,000 to \$27,000 through January 1, 2012, interest at 5.375 percent.</p>	251,000
<p>1,250,000 Utilities Revenue Bonds Series 1993, due in annual installments of \$30,000 to \$75,000 through March 2005, interest at 5 to 5.125 percent (this issue secured by water fees to be collected by the city)</p>	1,230,418
1,170,000 Utilities Revenue Bonds,	

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Series, 1993, due in annual installments of \$75,000 to \$80,000 through March 2015, interest at 2.55 percent (this issue secured by Sewer User fees to be collected by the City) 1,032,640

The annual requirements to amortize all debts outstanding at December 31, 1998, including interest payments of \$2,043,238 are as follows:

Year Ending December 31	General Obligation	Combined Revenue	Total
1999	21,980	154,645	176,625
2000	21,980	341,732	363,712
2001-2003	-	903,798	903,798
2004-2010	-	903,739	903,739
2010-2033	-	1,293,106	1,293,106
	<u>43,960</u>	<u>4,496,011</u>	<u>4,540,011</u>

\$187,237 is available in the Debt Service Funds to service the general obligation bonds and other long-term obligations.

During the year ended December 31, 1998, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 1-1-98	Additions	Reductions	Balance 12-31-98
General Obliga- tion bonds payable	\$ 55,000	\$ -	\$ 15,000	\$ 40,000
Compensated absence	<u>26,683</u>	<u>1,185</u>	<u>-</u>	<u>27,868</u>
Total	<u>\$ 81,683</u>	<u>\$ 1,185</u>	<u>\$ 15,000</u>	<u>\$ 67,868</u>

**CITY OF GRAMBLING, LOUISIANA**  
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**12. FLOW OF FUNDS:**

Under the terms of the bond indentures on outstanding Combined Utility Revenue Refunding Bonds dated January 1, 1978, and Water & Sewer Senior Lien Revenue Bonds dated July 1, 1978, all income and revenues (hereinafter referred to as revenue) of every nature, named or derived from operation of the Utility Systems are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Out of the revenue there shall be set aside from time to time into an "Operation and Maintenance Fund" amounts sufficient to provide for the payment of the reasonable and necessary expenses of operating and maintaining the systems.

Each month, there will be set aside into a fund called the "Bond and Interest Redemption Fund" an amount constituting 1/32 of the accruing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

There shall also be set aside into a "Bond Reserve Fund" an amount equal to 25% of the principal and interest payments required during the current fiscal year until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year, that amount being \$28,500. (Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Redemption Fund and as to which there would otherwise be default.

Funds will also be set aside into a Contingency Fund at the rate of \$150 each month until the amount of \$45,000 is on deposit in the fund. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds. The balance in this fund shall never be reduced below a minimum of \$5,000.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

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Under the terms of the bond indentures on the outstanding Utility Revenue Bonds, Series, 1993, and the Utility Revenue Bonds, Series, 1995, the following conditions of payments and various reserve accounts were stated:

**Sinking Fund** - A monthly payment equal to 1/12 of the current year principal and interest installments due on the Bond issues.

**Reserve Fund** - Payments shall be made in combined sum equal to 25% of the monthly Sinking Fund payment on the Series 1993 bonds and 20% of the monthly Sinking Fund payment on the Series 1995 until an amount equal to the Reserve Fund Requirement is on deposit in the Reserve Fund. The initial Reserve Fund Requirement to be accumulated is approximately \$355,111.

**Replacement Fund** - Payments equal to 3% of the net revenues of the combining Waterworks System and Sewerage System, provided, however, such payments shall not be less than \$207 per month over the life of the Series 1995 Bonds, until a Replacement Fund balance of \$75,000 is accumulated.

**11. FUND EQUITY**

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify that portion of the fund balance that is not applicable for future expenditures. Specific reservations of the fund balance accounts are summarized below:

**Reserve for Inventories**

This reserve was created to represent the portion of the fund balance that is not available for expenditures because the City expects to use those resources within the next budgetary period.

**Reserve for Debt Service**

This reserve was created to segregate a portion of the fund balance account for debt service, including both principal payments and interest payments. The reservation was established to satisfy legal restrictions imposed by various bond agreements.

**Reserve for Retained Earnings**

Reservations of retained earnings of Enterprise Funds are created by increases in assets

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restricted for debt service. These increases result from earnings on restricted assets and other interfund transfers to restricted accounts. Earnings on restricted assets are included in net income of the Enterprise Funds. When reserved retained earnings are increased, there is an equal reduction to the portion of retained earnings that is unreserved.

**14. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

The City is a defendant in a few lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

GENERAL FUND

To account for revenues traditionally associated with governments which are not required to be accounted for in another fund.

**CITY OF GRAMBLING, LOUISIANA**  
**GENERAL FUND**

Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1998

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	YEAR ENDED 12/31/97 ACTUAL
<b>REVENUES</b>				
<b>Taxes</b>				
Ad Valorem Taxes	\$ 41,500	37,643	\$ (3,857)	\$ 38,380
Sales Taxes - Income	210,500	225,672	(4,828)	181,385
Other taxes, penalties, interest, etc.	1,000	2,070	1,070	892
<b>Total Taxes</b>	<u>253,000</u>	<u>265,385</u>	<u>(7,615)</u>	<u>220,657</u>
<b>Licenses and Permits</b>				
Occupational Licenses	45,000	40,168	(4,832)	33,591
Alcoholic Beverages	3,000	4,286	1,286	4,200
Inspection Fees	300	180	(120)	108
Building Permits	5,000	3,646	(1,354)	4,262
Electrical Permits	1,850	1,250	(600)	1,028
Plumbing Permits	900	360	(540)	560
Franchise - Cablevision	9,500	18,258	8,758	9,771
Franchise - ARKLA	19,800	12,108	(7,692)	16,636
Franchise - LP & L	24,800	22,270	(2,530)	22,683
Franchise - Claiborne Electric	5,800	5,651	(149)	5,640
<b>Total Licenses and Permits</b>	<u>115,450</u>	<u>101,411</u>	<u>(12,039)</u>	<u>102,488</u>
<b>Intergovernmental</b>				
Louisiana Beer Tax	6,500	8,223	1,723	4,213
Louisiana Tobacco Tax	28,000	27,998	(2)	27,998
Louisiana Fire Insurance	10,300	10,466	166	10,568
Grant Revenue	17,000	-	(17,000)	55,896
<b>Total Intergovernmental</b>	<u>61,800</u>	<u>46,687</u>	<u>(15,113)</u>	<u>98,675</u>
<b>Fees and Forfeitures Fees</b>				
Fine Assessment	-	-	-	(145)
Fines - Police Department	82,800	48,718	(34,082)	72,325
Coast Coat - Municipal	34,800	23,822	(10,978)	50,134
Rebate - Lincoln Parish (EWE)	10,000	13,897	3,897	13,185
Police - Special Grants	130,150	166,852	(23,298)	-

The accompanying notes are an integral part of this statement.



**CITY OF GRAMBLING, LOUISIANA**  
**GENERAL FUND**  
 Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended December 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE PAYORABLE (UNFAVORABLE)</u>	<u>YEAR ENDED 12/31/99 ACTUAL</u>
Police and Fire Reports	500	-	(500)	-
Total Fines and Forfeiture Fees	<u>258,850</u>	<u>194,289</u>	<u>(62,561)</u>	<u>117,421</u>
<b>Miscellaneous Revenues</b>				
Grant Revenues	-	25,000	25,000	-
Rent - Community Center and Park	2,500	1,895	(605)	1,560
Sale of Garbage Bags	2,800	1,906	(894)	1,560
Interest Income	1,000	4,777	3,777	3,807
Miscellaneous - Other	8,100	25,117	17,017	25,264
Cablevision Lease Income	1,200	1,200	-	1,200
Total Miscellaneous Revenues	<u>14,800</u>	<u>58,295</u>	<u>44,495</u>	<u>23,531</u>
<b>Total Revenues</b>	<u>694,700</u>	<u>647,628</u>	<u>(52,072)</u>	<u>382,769</u>
<b>EXPENDITURES</b>				
<b>General Government</b>				
Salaries	80,000	79,028	972	71,510
Council Per Diem	10,000	9,240	760	9,680
Building Administrative	2,700	2,700	-	2,400
Utilities Inspector	2,700	2,700	-	2,600
FICA	6,000	6,513	(513)	5,970
Workmen's Compensation	2,000	3,108	(1,098)	4,613
Employer Group Insurance	7,200	8,944	(1,744)	4,415
Unemployment Taxes	300	46	254	160
Insurance				
General Liability	700	7,650	(6,950)	1,627
Bonding Insurance	600	300	300	350
Property Insurance	2,000	1,254	746	1,027
Audit	7,000	5,888	1,114	7,183
Data & Subscriptions	3,200	6,891	(1,691)	4,823
Electric Expense	-	68	(68)	1,288
Legal Retainer	3,600	3,895	(295)	3,300
Legal Advertising	1,400	1,112	288	2,691

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA  
GENERAL FUND**

Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>YEAR ENDED 12/31/97 ACTUAL</u>
Lincoln Parish Tax Assessor	1,700	1,741	(41)	3,740
Office Supplies	4,500	2,223	2,277	4,818
Printing	-	-	-	-
Postage	1,500	1,583	(83)	1,917
Telephone	4,200	4,369	(169)	6,217
Town Hall Expense	2,000	1,189	811	1,632
Travel	100	-	100	-
Utilities	4,500	4,375	125	4,638
Gas and Oil	200	-	200	-
Vehicle Maintenance	-	-	-	76
Capital Outlays				
Building	6,000	4,122	1,878	6,200
Town Hall Equipment, Renov., & Per	-	-	-	1,500
Computer System Upgrade	-	2,504	(2,504)	2,400
Accounting	3,900	-	3,900	1,983
Personnel Training	150	-	150	-
Equipment Repairs and Maintenance	1,800	1,634	166	2,213
Building Repairs	1,350	50	1,300	170
Professional Services - Current	1,200	-	1,200	699
Christmas Decorations	250	32	218	-
Rent - HCC RR	300	230	70	330
Community Center Repairs	1,000	-	1,000	-
Cultural/Community Development Proje	-	-	-	1,000
Garbage Bags	4,000	3,088	912	3,898
Miscellaneous/Contingency	1,800	1,159	641	592
Sales Tax	2,000	1,649	351	2,671
Bank Charges	320	50	270	889
Penalties	3,000	3,025	(25)	-
Court Magistrate	-	-	-	-
Total General Government	<u>192,370</u>	<u>171,426</u>	<u>21,144</u>	<u>186,583</u>
Police Department				
Salaries	250,385	284,064	(27,679)	267,603

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA  
GENERAL FUND**

Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1998

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	YEAR ENDED 12/31/97 ACTUAL
Employee Group Insurance	38,000	26,666	11,334	30,274
Unemployment Taxes	1,000	204	796	589
FICA	15,500	20,530	(5,030)	20,424
Workers' Compensation	24,000	-	24,000	31,100
Police Retirement	-	-	-	-
Insurance				
General Liability	16,800	24,180	(7,380)	-
Vehicles	7,000	5,509	1,491	6,147
Property	-	-	-	480
Police Uniforms	3,000	1,540	1,460	3,186
Supplies	6,500	7,324	(824)	8,777
Telephone	3,000	5,957	(2,957)	3,289
Personal Training	3,325	-	3,325	3,309
Equipment/Building Repairs	-	137	(137)	78
Travel	1,350	-	1,350	1,062
Gas & Oil	10,500	10,500	(000)	13,978
Books and Subscriptions	450	100	350	150
Miscellaneous/Contingency	150	650	(500)	190
Computer System Upgrade	250	-	250	-
Capital Outlays				
Equipment/Building	900	-	900	325
Vehicles	25,000	2,500	22,500	-
Radios	9,000	-	9,000	478
Vehicle Maintenance	5,000	7,111	(2,111)	8,647
Vehicle Repair	5,000	8,148	(3,148)	7,809
Radio Repair	1,500	2,867	(1,367)	2,795
Total Police Department	459,610	408,390	51,220	418,805
Fire Department:				
Salary - Fire Chief	2,700	2,700	-	2,400
Compensation - Firemen	2,000	680	1,320	1,280
Insurance - Firemen	300	-	300	-
Workers' Compensation	210	180	30	274

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA  
GENERAL FUND**

**Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended December 31, 1998**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	YEAR ENDED 12/31/97 ACTUAL
Supplies	1,800	1,208	(592)	1,874
Insurance - Vehicle	4,700	2,732	(1,968)	3,776
Insurance - Property	300	241	(59)	234
Don and Subscriptions	500	133	(367)	165
Telephone	1,500	1,614	(114)	1,481
Utilities	2,000	1,124	(876)	1,319
Travel/Training	1,000	167	(833)	322
Vehicle Gas & Oil	500	214	(286)	338
Radio Repair	-	3	(3)	27
Capital Outlay				-
Building	1,000	-	1,000	-
Other	500	-	500	-
Vehicle Repairs	1,000	1,628	(628)	-
Total Fire Department	<u>21,214</u>	<u>13,368</u>	<u>8,846</u>	<u>13,330</u>
<b>Streets and Highways</b>				
Insurance - Street Liability	4,000	2,733	(1,267)	-
Street Lights	13,000	17,960	(2,960)	18,825
Street Maintenance	3,000	847	(2,153)	8,810
Total Streets and Highways	<u>20,000</u>	<u>21,540</u>	<u>460</u>	<u>27,635</u>
<b>Parks and Recreation</b>				
Salaries	-	-	-	5,260
Payroll Taxes	-	-	-	402
Insurance	1,200	1,218	(18)	-
Supplies	80	-	80	801
Utilities	4,121	3,786	(335)	3,043
Repair and Maintenance	2,200	842	(1,358)	1,343
Capital Outlay	1,800	-	1,800	-
Cleaning	800	-	800	-

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**GENERAL FUND**

Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended December 31, 1998

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	YEAR ENDED 12/31/97 ACTUAL
Telephone	550	1,358	(1,208)	560
Bank Charges	-	-	-	14
Total Parks and Recreation	<u>12,885</u>	<u>9,614</u>	<u>2,421</u>	<u>11,508</u>
Total Expenditures	<u>687,401</u>	<u>623,571</u>	<u>63,830</u>	<u>637,059</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>12,268</u>	<u>25,497</u>	<u>11,228</u>	<u>(74,280)</u>
<b>OTHER FINANCING SOURCES (Uses)</b>				
Operating transfers in	30,000	326,148	296,148	-
Operating transfers out	-	(211,109)	(211,109)	-
Total other financing sources (uses)	<u>30,000</u>	<u>15,039</u>	<u>(14,961)</u>	<u>-</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE</b>	<u>42,268</u>	<u>38,536</u>	<u>(3,731)</u>	<u>(74,280)</u>
<b>FUND BALANCES (Deficit), BEGINNING</b>		75,500		
<b>FUND BALANCES (Deficit), ENDING</b>		<u>114,446</u>		

The accompanying notes are an integral part of this statement.

### SPECIAL REVENUE FUND

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

### HEALTH & SANITATION FUND

This fund is used to account for the receipts and subsequent expenditures of the health and sanitation program.

**CITY OF GRAMBLING, LOUISIANA**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended December 31, 1998

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	YEAR ENDED 12/31/97 ACTUAL
<b>REVENUES</b>				
Intergovernmental Revenues	\$130,000	\$117,111	\$ (12,889)	\$ 112,535
Garbage Collection Fees	47,000	43,340	(3,660)	44,479
Miscellaneous/Contributions	5,000	3,561	(1,439)	4,680
Interest Income	-	1,890	1,890	1,899
<b>Total Revenues</b>	<b>182,000</b>	<b>165,902</b>	<b>(16,098)</b>	<b>163,603</b>
<b>EXPENDITURES</b>				
Salaries	69,000	66,939	2,061	58,394
FICA	4,000	8,217	(4,217)	4,525
Workers Compensation	18,000	6,606	11,394	12,779
Unemployment Taxes	350	50	300	117
Employee Group Insurance	8,000	7,928	672	7,227
Insurance	13,000	19,943	(2,943)	6,803
Audit	3,000	3,000	(900)	3,000
Accounting Services	3,000	-	3,000	608
Bank Service Charge	25	30	5	186
Capital Outlay	3,500	-	3,500	-
Maintenance & Repairs	6,800	8,458	(1,658)	5,156
Miscellaneous	2,000	541	1,459	477
Supplies	1,900	860	640	(3,128)
Vehicle Gas & Oil	3,500	3,714	786	3,368
<b>Total expenditures</b>	<b>139,675</b>	<b>139,375</b>	<b>14,100</b>	<b>100,346</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>42,325</b>	<b>46,627</b>	<b>(2,328)</b>	<b>63,257</b>
<b>OTHER FINANCING SOURCES (Uses)</b>				
Operating transfers in	-	3,720	3,720	-
Operating transfers out to General Fund	(25,000)	25,000	-	-
<b>Total other financing sources (uses)</b>	<b>(25,000)</b>	<b>(21,280)</b>	<b>3,720</b>	<b>-</b>
<b>EXCESS (Deficiency) OF REVENUES</b>				

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended December 31, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>YEAR ENDED 12/31/97 ACTUAL</u>
<b>AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	17,325	18,817	1,492	62,357
<b>FUND BALANCES (Deficit), BEGINNING</b>		208,883		148,326
<b>FUND BALANCES (Deficit), ENDING</b>		<u>\$227,708</u>		<u>\$ 208,883</u>

The accompanying notes are an integral part of this statement.



#### DEBT SERVICE FUNDS

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from government resources.

#### 1984 SEWER IMPROVEMENTS

This fund is used to accumulate monies for payment of the 1984 \$265,800 Sewer System Improvement Bonds, which are serial bonds due in annual installments, plus interest, through maturity in 2004. Debt service is financed by the levy of a specific ad valorem tax.

**CITY OF GRAMBLING, LOUISIANA****DEBT SERVICE FUND**

Balance Sheet, December 31, 1998

<b>ASSETS</b>	
Cash and cash equivalents	32,389
Investments	74,828
Receivables:	
Taxes (net of allowance for uncollectibles)	21,800
Accrued interest	439
Interfund receivable	1,859
<b>TOTAL ASSETS</b>	<u><b>\$ 130,355</b></u>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>Liabilities:</b>	
Interfund payable	<u>\$ 74,385</u>
<b>Total Liabilities</b>	<b>74,385</b>
<b>Fund Equity:</b>	
Reserved for debt service	35,869
Unreserved - undesignated	<u>-</u>
<b>Total Fund Equity</b>	<b>35,869</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><b>\$ 130,355</b></u>

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**DEBT SERVICE FUND**  
*Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances*  
**For the Year Ended December 31, 1998**

<b>REVENUES</b>	
Taxes	15,548
Other revenues	<u>5,008</u>
Total revenues	20,556
<b>EXPENDITURES</b>	
General government	-
Debt service:	
Principal retirement	18,702
Interest and bank charges	33
Other expenditures	<u>32</u>
Total expenditures	18,737
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>1,819</u>
<b>OTHER FINANCING SOURCES (Uses)</b>	
Operating transfers in	-
Operating transfers out	<u>26,470</u>
Total other financing sources (uses)	(26,470)
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>(24,651)</u>
<b>FUND BALANCES (Deficit), BEGINNING</b>	81,668
<b>FUND BALANCES (Deficit), ENDING</b>	<u><u>\$ 56,987</u></u>

The accompanying notes are an integral part of this statement.

#### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

#### **1984 SEWER IMPROVEMENTS**

This fund is used to account for the construction of sewer line extensions.

**CITY OF GRAMBLING, LOUISIANA**  
**CAPITAL PROJECTS FUNDS**  
 Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended December 31, 1998

<b>REVENUES</b>	
Other revenues - interest income	\$ 3,896
Total revenues	<u>3,896</u>
<b>EXPENDITURES</b>	
General government	-
Capital Projects	<u>-</u>
Total expenditures	-
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>3,896</u>
<b>OTHER FINANCING SOURCES (Uses)</b>	
Operating transfers in	-
Operating transfers out	<u>-</u>
Total other financing sources (uses)	-
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>3,896</u>
<b>FUND BALANCES (Deficit), BEGINNING</b>	171,308
<b>FUND BALANCES (Deficit), ENDING</b>	<u><u>\$ 175,204</u></u>

The accompanying notes are an integral part of this statement.

#### **PROPRIETARY FUNDS (UTILITY FUNDS)**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the costs of providing goods and service to the general public primarily through user charges or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes. The City of Gardnerville operates its water and sewer system as an Enterprise Fund.

**CITY OF GRAMBLING, LOUISIANA**  
**PROPRIETARY FUND**  
*Schedule of Proprietary Fund*  
**Operating Expenses, by Department**  
**For the Year Ended December 31, 1998**

	December 31, 1998
<b>WATER DEPARTMENT</b>	
Salaries	75,854
FICA	8,379
Workers compensation	1,889
Unemployment taxes	68
Employee group insurance	10,977
Insurance	18,008
Audit	6,489
Accounting and legal services	5,623
Bad Debts	2,770
Bank service charge	3,891
Bonds/coupons	21,580
Sales tax	-
Maintenance and repairs	3,044
Water system repair	8,996
Miscellaneous	1,082
Supplies	13,077
Office expense	4,972
Travel/training	250
Vehicle gas and oil	4,799
Utilities	31,521
Depreciation	148,724
Total Water department operating expenses	389,048
 <b>SEWER DISTRIBUTION DEPARTMENT</b>	
Salaries	33,033
FICA	3,762
Workers compensation	-
Depreciation	84,500
Employee group insurance	41,429
Maintenance and repairs	3,445
Sewer system repair	20,748
Miscellaneous	-
Supplies	2,814
Utilities	12,342
Total Sewer distribution department operating expenses	200,234

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**PROPRIETARY FUND**  
*Schedule of Proprietary Fund*  
**Operating Expenses, By Department**  
*For the Year Ended December 31, 1998*

<b>SEWER PLANT DEPARTMENT</b>	
Insurance	1,734
Capital outlay	-
Bonds/coupons	41,423
Maintenance and repairs	900
Oxidation pond project	1,926
Supplies	21,271
Vehicle gas and oil	947
Utilities	24,800
Depreciation	<u>120,459</u>
Total Sewer distribution department operating expenses	213,047
<b>TOTAL OPERATING EXPENSES</b>	<b><u>1,102,133</u></b>

The accompanying notes are an integral part of this statement.



**CITY OF GRABLING, LOUISIANA**  
**PROPRIETARY FUND**  
 Schedule of Proprietary Fund  
 Changes in Assets Restricted for  
 Revenue Bond Debt Service  
 For the Year Ended December 31, 1998

	CASH WITH PAYING AGENT	BOND AND INTEREST RESERVE	RESERVE	CONTINGENCY	TOTAL
CASH - 01/01/98	-	171,000	20,241	17,900	209,241
CASH AND INVESTMENTS, 01/01/98	\$ -	\$ 171,000	\$ 20,241	\$ 17,900	\$ 290,241
<b>CASH RECEIPTS</b>					
Transfer from operating	-	218,147	-	1,906	220,153
Interest on investments	-	-	6,646	796	7,442
Transfers from bond and interest redemption	171,183	-	20,917	-	203,100
<b>TOTAL CASH RECEIPTS</b>	<u>171,183</u>	<u>218,147</u>	<u>27,563</u>	<u>2,702</u>	<u>420,595</u>
<b>TOTAL CASH AND INVESTMENTS AVAILABLE</b>	<u>171,183</u>	<u>389,147</u>	<u>111,804</u>	<u>20,602</u>	<u>692,736</u>
<b>CASH DISBURSEMENTS</b>					
Transfer to paying agent	-	177,083	-	-	177,083
Principal payments	72,358	-	-	-	72,358
Interest payments	304,815	-	-	-	304,815
Transfer to Reserve	-	25,817	-	-	25,817
<b>TOTAL CASH DISBURSEMENTS</b>	<u>377,173</u>	<u>202,900</u>	<u>-</u>	<u>-</u>	<u>580,073</u>
CASH AND INVESTMENTS, 12/31/98	<u>\$ -</u>	<u>\$ 186,247</u>	<u>\$ 111,804</u>	<u>\$ 21,602</u>	<u>\$ 319,853</u>

The accompanying notes are an integral part of this statement.

## ACCOUNT GROUPS

CITY OF GRAMBLING, LOUISIANA  
 STATEMENTS OF GENERAL LONG-TERM DEBT  
 DECEMBER 31, 1988

	GENERAL OBLIGATION	COMPENSATED ABSENCES	TOTAL
<b>AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT</b>			
Amount available in debt service funds for debt retirement	\$ 40,000	\$ 27,841	\$ 67,841
Amount to be provided from Ad Valorem taxes			
<b>TOTAL AVAILABLE</b>	<b>\$ 40,000</b>	<b>\$ 27,841</b>	<b>\$ 67,841</b>
<b>GENERAL LONG-TERM DEBT PAYABLE</b>			
Bonds payable	\$ 40,000	\$ -	\$ 40,000
Unpaid compensated absences	\$ -	\$ 27,841	\$ 27,841
<b>TOTAL GENERAL LONG-TERM DEBT PAYABLE</b>	<b>\$ 40,000</b>	<b>\$ 27,841</b>	<b>\$ 67,841</b>

The accompanying notes are an integral part of this statement.

**CITY OF CHICAGO, ILLINOIS**  
**STATEMENT OF CHANGES IN GENERAL FUND ASSETS**  
**FOR THE YEAR ENDING DECEMBER 31, 1994**

	LAIS	IMPROVEMENTS OTHER THAN STREETS	EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
\$	25,285	208,641	52,627	144,248	417,801
General Fund Expensing of year	-	-	-	-	-
General Fund Funds and Restrictions Fund Capital Projects Fund	20,000	-	1,500	-	21,500
TOTAL BALANCE 1993	45,285	208,641	54,127	144,248	452,301
ADDITIONS	-	-	-	-	-
ADDITIONS Administered by other funds	-	-	-	-	-
General Fund assets, end of year	45,285	208,641	54,127	144,248	452,301

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS**  
**DECEMBER 31, 1998 & 1997**

	December 31,	
	<u>1998</u>	<u>1997</u>
GENERAL FIXED ASSETS, AT COST		
Land	37,391	\$ 37,391
Buildings	298,683	298,683
Improvements other than buildings	322,637	322,637
Equipment	<u>518,755</u>	<u>516,255</u>
TOTAL GENERAL FIXED ASSETS	<u>1,197,466</u>	<u>\$ 1,174,966</u>
INVESTMENT IN GENERAL FIXED ASSETS	<u>1,197,466</u>	<u>\$ 1,174,966</u>

**SUPPLEMENTARY FINANCIAL INFORMATION**

**RADIAN L. HENNINGAN**  
Certified Public Accountant  
1205 Goodwin Road, Suite 1  
Baton Rouge, LA 71270  
318-255-8188

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

To the City Council  
City of Grambling  
Grambling, Louisiana 71248

We have audited the general purpose financial statements of City of Grambling, Louisiana as of and for the year ended December 31, 1998 and have issued our report thereon dated June 10, 1999. We conducted our 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.

**Compliance**

As part of obtaining reasonable assurance about whether City of Grambling, Louisiana's general purpose financial statements are free of material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs at items 1998-2, 1998-4, 1998-5, and 1998-8.

**Internal Control Over Financial Reporting**

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

To the City Council  
City of Gambling  
Page 2

questioned costs as items 1998-1 and 1998-3.

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

However, of the reportable conditions described above, we consider items 1998-1 and 1998-2 to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Radlin L. Hennigan  
Certified Public Accountant

June 10, 1999



**CITY OF GRAMBLING, LOUISIANA**  
**Combined Schedule of Investments**  
**December 31, 1998**

	INTEREST Rates	DATE ACQUIRED	MATURITY DATE	BOOK VALUE
<b>GENERAL FUND</b>				
Certificates of Deposits				
Central Bank	5.00%	11/20/98	11/18/99	12,825
Central Bank	4.85%	09/14/98	09/14/99	29,323
Security First National Bank	4.85%	11/21/98	09/18/99	25,800
Savings Account				
Central Bank	1.50%			3,052
Central Bank	1.50%			15,148
Central Bank	5.00%	05/28/98	05/28/99	17,504
Grambling Federal Credit Union	2.00%			42,622
<b>TOTAL GENERAL FUND</b>				<u>136,346</u>
<b>ENTERPRISE FUND</b>				
Bank One	4.50%	07/15/98	03/18/99	24,470
Security First National Bank	5.15%	09/14/98	09/14/99	13,900
Bank One	4.81%	09/18/98	09/18/99	14,340
Bank One	4.61%	12/06/98	12/06/99	20,800
Security First National Bank	3.80%	02/24/98	02/24/99	85,310
<b>TOTAL ENTERPRISE FUND</b>				<u>161,860</u>
<b>DEBT SERVICE FUND</b>				
Certificates of Deposits				
Central Bank	5.00%	10/20/98	10/19/99	38,358
Central Bank	5.00%	11/20/98	11/19/99	8,987
Security First National Bank	5.15%	09/14/98	09/14/99	27,581
<b>TOTAL DEBT SERVICE FUND</b>				<u>74,926</u>
<b>CAPITAL PROJECTS</b>				
Certificates of Deposits				
Central Bank	5.00%	11/20/98	11/19/99	99,287
Central Bank	5.00%	05/04/98	05/04/99	31,009
Central Bank	5.00%	11/20/98	11/19/99	32,133
Central Bank	5.00%	11/20/98	11/19/99	3,624
<b>TOTAL CAPITAL PROJECTS</b>				<u>166,049</u>
<b>GRAND TOTAL</b>				<u><u>328,816</u></u>

**CITY OF GRAMBLING, LOUISIANA**  
**Combined Schedule of Bonds Payable**  
**December 31, 1998**

<b>DESCRIPTION</b>	<b>INTEREST</b>		<b>Issue Date</b>	<b>First Maturity Date</b>	<b>Annual Serial Payments</b>
	<b>Rate</b>	<b>Payment Dates</b>			
<b>GENERAL OBLIGATION BONDS</b>					
Sewer Improvement Bonds Series 1984	9.90%	4-1;10-1	4/1/84	4/1/94	
					20,000 (1999-00)
<b>REVENUE BONDS</b>					
Water & Sewer System Junior Lien Revenue Bond	5.38%	1-1;7-1	7/1/70	1/1/10	
Water & Sewer Utility Revenue Bonds Series, 1975	5.00%	3-1	3/1/65	3/1/75	
Water & Sewer Utility Revenue Bonds, 1983	2.95%	3-1	3/1/65	3/1/83	
<b>GRAND TOTAL</b>					

The accompanying notes are an integral part of this statement.

Authorized & Issued	Bonds	
	Retired	Outstanding 12/31/98
<u>\$ 265,000</u>	<u>\$ 225,000</u>	<u>\$ 40,000</u>
<u>380,000</u>	<u>149,000</u>	<u>231,000</u>
<u>1,250,000</u>	<u>14,582</u>	<u>1,235,418</u>
<u>1,170,000</u>	<u>147,582</u>	<u>1,022,418</u>
<u>\$ 3,005,000</u>	<u>\$ 515,942</u>	<u>\$ 2,489,058</u>

The accompanying notes are an integral part of this statement.

**CITY OF GRAMBLING, LOUISIANA**  
**Schedule of Compensation Paid Council Members**  
**For the Year Ended December 31, 1998**

<u>COUNCIL MEMBERS</u>	<u>AMOUNT</u>
Edward Adams	1,890
Dorely Spurgeon	1,890
Hirsh Copeland	1,750
Richard J. Caffot, Jr.	1,820
A.D. Smith	1,890
	<u>9,240</u>

**CITY OF GRAMBLING, LOUISIANA**  
**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTION COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of City of Grambling, Louisiana.
2. Some reportable conditions were disclosed during the audit of the general purpose financial statements. See Management's Corrective Action Plan.
3. Some instances of noncompliance material to the general purpose financial statements of City of Grambling, Louisiana, were disclosed during the audit. See Management's Corrective Action Plan.
4. There are no major programs.
5. The threshold for distinguishing Types A and B programs was \$300,000.
6. City of Grambling, Louisiana was not determined to be low-risk auditee.

**B. FINDINGS -- FINANCIAL STATEMENTS AUDIT**

See Management's Corrective Action Plan.

**C. FINDINGS AND QUESTIONED COSTS -- MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**CITY OF GRAMBLING, LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
For the Year Ended December 31, 1998**

<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
1998-1 The Accounts Receivable balance for the Water and Sewer Systems has a significant number of delinquent accounts. We recommend that the City implement and follow an approved delinquent customer cut-off procedure for all customers that do not pay their water and sewer bills within the allowed time period.	The City has been investigating these overdue balances and intends to take action against these overdue accounts. The city is providing more stringent oversight to delinquent account procedures.
1998-2 The police department's ticket log book is not reconciled to cash receipts, tickets issued, or tickets outstanding. The police department should set up procedures to reconcile monthly the ticket log book to cash receipts, tickets issued, and tickets outstanding.	The City's Police department has begun and is continuing to implement procedures to accurately track the issuance of tickets, cash receipts, and outstanding tickets by establishing improved reporting and reconciling procedures.
1998-3 Evidence of authorization for payment of invoices was lacking on some paid invoices observed during our test of transactions; although alternate sources of evidence revealed that authorization had been obtained on these paid invoices. Purchase Orders are not used on a consistent basis.	The City has initiated better compliance procedures in the invoice authorization process to monitor stricter observances of authorized transactions as relates to paid invoices.
1998-4 Proper documentation of water meter deposit refunds were not maintained. The only record of this event is the check stub.	The City will start documenting in detail the water meter disbursement activity.
1998-5 Unlawful use of Grant Funds. Extended time needed to purchase assets in order to close out grant.	The City has resolved this issue and the grant money has been expended.
1998-6 The General Fund, Special Revenue Fund, and the Enterprise Fund actual revenues failed to meet budgeted revenues by more than five percent. The City needs to review its General Fund, Special Revenue Fund and Enterprise Fund budget vs actual financial reports on a quarterly basis and take appropriate actions.	The City has implemented a new financial software package that will enable the city to review the actual vs budget Revenue and Expenditure activity on a quarterly basis and make the appropriate amendments as needed.

**CITY OF GRAMBLING, LOUISIANA  
FOR THE YEAR ENDING DECEMBER 31, 1988**

**QUESTIONED COSTS**

There were no questioned costs found.

**CITY OF GRAMBLING, LOUISIANA  
 SCHEDULE OF PRIOR YEAR FINDINGS  
 For the Year Ended December 31, 1998**

<b>SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
1997-1 The police department's ticket log book is not reconciled to cash receipts, tickets issued, or tickets outstanding. The police department should set up procedures to reconcile monthly the ticket log book to cash receipts, tickets issued, and tickets outstanding.	Partially resolved. The police department has begun developing procedures to accurately track the issuance of tickets, cash receipts, and outstanding tickets by establishing improved reporting and recording. See current year findings.
1997-2 Property tax delinquency notices were not timely mailed out and filed for collection of unpaid property taxes. We recommend that the city implement controls to properly track and schedule property tax payments and follow-up procedures for delinquent property tax notices.	Partially resolved. The city has begun designing procedures to monitor property tax notices and subsequent delinquencies. See current year findings.
1997-3 The city needs to update its employee manual, specifically, to address the issue of compensated absences.	Resolved. The city has an amended employee manual that covers this.
1997-4 The General Fund and Special Revenue Fund actual revenues fall to meet budgeted revenues by more than five percent. The city needs to review its General Fund and Special Revenue Fund budget vs. actual financial reports on a quarterly basis and take appropriate actions.	Partially resolved. The finance committee of the city is reviewing the actual vs. budget Revenue & Expenditure Statement of the General Fund and Special Revenue Fund on a quarterly basis and making amendments to the budget on a quarterly or semi-annual basis as needed. See current year findings.
<b>SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
N/A	
<b>SECTION III - MANAGEMENT LETTER</b>	
N/A	