

TOWN OF AMITE CITY

Louisiana



ANNUAL FINANCIAL REPORT

As of and for the Year Ended
June 30, 2024

TOWN OF AMITE CITY

Louisiana

ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2024

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report.....	1
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	6
Statement of Activities.....	7
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	8
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	9
Statement of Revenues, Expenditures, and Changes in Fund Balances	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Proprietary Fund	
Statement of Net Position	12
Statement of Revenues, Expenses, and Changes in Net Position.....	13
Statement of Cash Flows	14
Fiduciary Funds	
Combining Statement of Fiduciary Net Position- Custodial Funds.....	15
Combining Statement of Changes in Fiduciary Net Position- Custodial Funds.....	16
Notes to the Financial Statements	18
Required Supplementary Information (Part II)	
Budgetary Comparison Schedules	
General Fund (Summary - Detail)	48
Sales Tax Fund	54
Economic Development Fund	55
Arts Council Fund	56
Schedule of the Town's Proportionate Share of the Net Pension Liability Municipal Employees' Retirement System.....	57
Schedule of Town's Contributions, Municipal Employees' Retirement System.....	58
Other Supplementary Information	
Schedule of Federal Expenditures.....	60
Schedule of Compensation, Benefits, and Other Payments to Agency Heads.....	61
Justice System Funding Schedule - Collecting/Disbursing Entity.....	62

TOWN OF AMITE CITY

TABLE OF CONTENTS (continued)

	<u>Page</u>
Other Independent Auditors' Reports and Findings	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	64
Independent Auditors' Report on Compliance for each Major Program and on Internal Control over Compliance Required by Uniform Guidance.....	66
Summary Schedule of Prior Year Audit Findings and Questioned Cost.....	69
Schedule of Current Year Audit Findings and Questioned Cost.....	70
Summary of Current Year Findings and Questioned Cost.....	71



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the Town Council,
Town of Amite City, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **TOWN OF AMITE CITY (TOWN)**, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise of the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the *Louisiana Governmental Auditing Guide*, and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, and schedules of the Town's proportionate share of net pension liability and contributions for the Municipal Police Employees' Retirement System on pages 57 through 58 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of compensation, benefits, and other payments to agency heads and the justice system funding schedule – collecting/disbursing entity, and the schedule of expenditures of federal awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency heads, justice system funding schedule – collecting/disbursing entity, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and the *Louisiana Governmental Audit Guide* in considering the Town's internal control over financial reporting and compliance.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 20, 2024

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BASIC FINANCIAL STATEMENTS

Town of Amite City

STATEMENT OF NET POSITION

June 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 5,424,813	\$ 302,428	\$ 5,727,241
Receivables, net	499,876	1,208,650	1,708,526
Prepaid insurance	84,006	2,190	86,196
Internal balances	(165,249)	165,249	-
Restricted assets-			
Cash and cash equivalents,	15,907	2,186,039	2,201,946
Capital assets, net	2,863,324	16,748,299	19,611,623
Total assets	<u>8,722,677</u>	<u>20,612,855</u>	<u>29,335,532</u>
<u>Deferred Outflow of Resources</u>	<u>726,642</u>	<u>71,531</u>	<u>798,173</u>
<u>Liabilities</u>			
Accounts, salaries, and other payables	173,371	57,332	230,703
Compensated Absences Payable	38,678	6,500	45,178
Utility customer deposits	-	167,700	167,700
Contract Retainage Payable	-	485,140	485,140
Contract Payable	-	2,583,186	2,583,186
Unearned Grant Revenue-FEMA	108,007	-	108,007
Due to Bond Fund	1,889	-	1,889
Noncurrent liabilities:			
Due within one year	77,390	573,598	650,988
Due in more than one year	507,323	6,968,788	7,476,111
Net pension liability	1,690,099	-	1,690,099
Total liabilities	<u>2,596,757</u>	<u>10,842,244</u>	<u>13,439,001</u>
<u>Deferred Inflow of Resources</u>	<u>113,300</u>	<u>-</u>	<u>113,300</u>
<u>Net Position</u>			
Net investment in capital assets	2,320,848	6,219,618	8,540,466
Restricted for:			
Debt service	-	2,018,339	2,018,339
Law enforcement	15,907	-	15,907
Unrestricted	<u>4,402,507</u>	<u>1,604,185</u>	<u>6,006,692</u>
Total Net Position	<u>\$ 6,739,262</u>	<u>\$ 9,842,142</u>	<u>\$ 16,581,404</u>

The accompanying notes are an integral part of this statement.

Town of Amite City
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues, and Changes in Net Position		
		<u>Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:							
General government	\$ 1,362,132	\$ -	\$ -	\$ -	\$ (1,362,132)	\$ -	\$ (1,362,132)
Public safety - police	2,036,566	70,853	136,095	63,513	(1,766,105)	-	(1,766,105)
Public safety - fire	320,000	-	-	-	(320,000)	-	(320,000)
Streets	1,067,229	-	6,625	18,800	(1,041,804)	-	(1,041,804)
Sanitation	275,208	458,123	-	-	182,915	-	182,915
Community center	35,911	-	-	-	(35,911)	-	(35,911)
Cemetery	75,187	45,660	-	-	(29,527)	-	(29,527)
Parks and recreation	150,917	24,350	-	-	(126,567)	-	(126,567)
Economic development	21,081	-	-	-	(21,081)	-	(21,081)
Intergovernmental	33,527	-	-	-	(33,527)	-	(33,527)
Art development	12,093	-	500	-	(11,593)	-	(11,593)
Miscellaneous programs	41,371	-	-	-	(41,371)	-	(41,371)
Total governmental activities	5,431,222	598,986	143,220	82,313	(4,606,703)	-	(4,606,703)
Business-type Activities:							
Waterworks and sewer	2,401,556	1,605,074	371,442	3,549,805	-	3,124,765	3,124,765
Total business-type activity	2,401,556	1,605,074	371,442	3,549,805	-	3,124,765	3,124,765
Total	<u>\$ 7,832,778</u>	<u>\$ 2,204,060</u>	<u>\$ 514,662</u>	<u>\$ 3,632,118</u>	<u>\$ (4,606,703)</u>	<u>\$ 3,124,765</u>	<u>\$ (1,481,938)</u>
General Revenues:							
Taxes:							
Property taxes					141,978	-	141,978
Franchise taxes					184,290	-	184,290
Sales taxes					4,378,125	-	4,378,125
Alcoholic beverage tax					12,344	-	12,344
Licenses and permits					341,772	-	341,772
Investment earnings					257,059	140,427	397,486
Miscellaneous					92,074	11,620	103,694
Intergovernmental					54,994	-	54,994
Gain from disposition of capital assets					397,260	-	397,260
Support revenues-pension					36,895	-	36,895
Total general revenues and transfers					5,896,791	152,047	6,048,838
Change in Net Position					1,290,088	3,276,812	4,566,900
Net position – beginning					5,449,174	6,565,330	12,014,504
Net position - ending					<u>\$ 6,739,262</u>	<u>\$ 9,842,142</u>	<u>\$ 16,581,404</u>

The accompanying notes are an integral part of this statement.

Town of Amite City
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Sales Tax Fund	Economic Development Fund	Arts Council Fund	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 4,609,021	\$ 3,419	\$ 771,243	\$ 41,130	\$ 5,424,813
Receivables, net	150,478	349,398	-	-	499,876
Prepaid insurance	84,006	-	-	-	84,006
Due from other funds-					
General Fund	-	-	87,000	-	87,000
Restricted cash	15,907	-	-	-	15,907
Total assets	<u>\$ 4,859,412</u>	<u>\$ 352,817</u>	<u>\$ 858,243</u>	<u>\$ 41,130</u>	<u>\$ 6,111,602</u>
<u>Liabilities</u>					
Accounts, salaries, and other payables	\$ 169,650	\$ -	\$ 2,055	\$ 1,666	\$ 173,371
Due to other funds -					
Economic Development Fund	87,000	-	-	-	87,000
Waterworks Fund	165,249	-	-	-	165,249
Bond Money Fund	1,889	-	-	-	1,889
Unearned Grant Revenue-FEMA	108,007	-	-	-	108,007
Total liabilities	<u>531,795</u>	<u>-</u>	<u>2,055</u>	<u>1,666</u>	<u>535,516</u>
<u>Fund Balance</u>					
Nonspendable: Prepaid insurance	84,006	-	-	-	84,006
Restricted: Law enforcement	9,463	-	-	-	9,463
Future Purchase Police Equip	6,444	-	-	-	6,444
Committed: Economic Development	-	-	856,188	-	856,188
Promotion of the Arts	-	-	-	39,464	39,464
To Pay USDA loans	-	352,817	-	-	352,817
Garbage Truck	120,686	-	-	-	120,686
Assigned Construction Projects	1,185,000	-	-	-	1,185,000
Cemetery Maintenance	145,000	-	-	-	145,000
Unassigned	2,777,018	-	-	-	2,777,018
Total fund balance	<u>4,327,617</u>	<u>352,817</u>	<u>856,188</u>	<u>39,464</u>	<u>5,576,086</u>
Total liabilities and fund balance	<u>\$ 4,859,412</u>	<u>\$ 352,817</u>	<u>\$ 858,243</u>	<u>\$ 41,130</u>	<u>\$ 6,111,602</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2024

Fund balances - total governmental funds	\$ 5,576,086
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:	
Governmental capital assets, net of depreciation and amortization	2,863,324
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:	
Compensated absences payable	(80,915)
Lease liability payable	(542,476)
Net pension liability	(1,690,099)
Deferred outflows and inflows are not financial resources or currently payable. These consist of:	
Deferred outflows-pension liability	726,642
Deferred inflows- pension liability	(113,300)
Net position of governmental activities	<u>\$ 6,739,262</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2024

	General Fund	Sales Tax Fund	Economic Development Fund	Arts Council Fund	Total Governmental Funds
<u>Revenues</u>					
Taxes	\$ 326,268	\$ 4,378,125	\$ -	\$ -	\$ 4,704,393
Licenses and permits	341,772	-	-	-	341,772
Intergovernmental	292,371	-	-	-	292,371
Fines and forfeitures	50,878	-	-	-	50,878
Sanitation service fees	458,123	-	-	-	458,123
Prisoner housing fees	18,610	-	-	-	18,610
Subpoena & bond appearance fees	1,365	-	-	-	1,365
Rentals & recreational	24,350	-	-	-	24,350
Cemetery	45,660	-	-	-	45,660
Miscellaneous	294,523	13,563	37,932	3,615	349,633
Total Revenues	<u>1,853,920</u>	<u>4,391,688</u>	<u>37,932</u>	<u>3,615</u>	<u>6,287,155</u>
<u>Expenditures</u>					
General government	1,377,786	28,286	-	-	1,406,072
Public safety - police	2,145,414	-	-	-	2,145,414
Public safety - fire	320,000	-	-	-	320,000
Streets	1,072,955	-	-	-	1,072,955
Sanitation	263,708	-	-	-	263,708
Community center	28,242	-	-	-	28,242
Cemetery	75,187	-	-	-	75,187
Parks and recreation	144,439	-	-	-	144,439
Economic development	-	-	18,227	-	18,227
Intergovernmental	33,527	-	-	-	33,527
Art development	-	-	-	12,093	12,093
Miscellaneous	41,371	-	-	-	41,371
Debt Service:					
Principal	30,584	-	-	-	30,584
Interest	9,673	-	-	-	9,673
Total Expenditures	<u>5,542,886</u>	<u>28,286</u>	<u>18,227</u>	<u>12,093</u>	<u>5,601,492</u>
Excess (Deficiency) of revenues over expenditures	<u>(3,688,966)</u>	<u>4,363,402</u>	<u>19,705</u>	<u>(8,478)</u>	<u>685,663</u>
<u>Other Financing Sources (Uses)</u>					
Finance lease proceeds	260,000	-	-	-	260,000
Sale of Capital Assets	600,000	-	-	-	600,000
Insurance proceeds	19,881	-	-	-	19,881
Operating transfers in	4,254,795	-	108,787	12,000	4,375,582
Operating transfers out	(12,000)	(4,363,582)	-	-	(4,375,582)
Total other financing sources (uses)	<u>5,122,676</u>	<u>(4,363,582)</u>	<u>108,787</u>	<u>12,000</u>	<u>879,881</u>
Net change in Fund Balances	<u>1,433,710</u>	<u>(180)</u>	<u>128,492</u>	<u>3,522</u>	<u>1,565,544</u>
Fund balance, beginning of year	<u>2,893,907</u>	<u>352,997</u>	<u>727,696</u>	<u>35,942</u>	<u>4,010,542</u>
Fund balances, end of year	<u>\$ 4,327,617</u>	<u>\$ 352,817</u>	<u>\$ 856,188</u>	<u>\$ 39,464</u>	<u>\$ 5,576,086</u>

The accompanying notes are an integral part of this statement.

TOWN OF AMITE CITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$	1,565,544
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. These differences consist of:

Capital outlay		485,715
Depreciation expense		(130,869)
Amortization Expense		(109,537)

In the statement of activities, only the gain on the sale of equipment is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the equipment disposed of.

		(222,621)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of short-term and long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Issuance of lease liability		(260,000)
Principal payments of lease liability		30,584

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These differences consist of:

Pension expense		(105,623)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Support revenues-pension		36,895
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Change in net position of governmental activities	\$	<u>1,290,088</u>
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The accompanying notes are an integral part of this statement.

Town of Amite City
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2024

Business – type Activity
Waterworks and
Sewer Fund

Assets

Current Assets

Cash and cash equivalents	\$ 302,428
Accounts receivable, net	1,208,650
Due from General Fund	165,249
Prepaid insurance	2,190
Total current assets	<u>1,678,517</u>

Restricted Assets

Cash and cash equivalents	<u>2,186,039</u>
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Non-current Assets

Capital assets (net of accumulated depreciation)	<u>16,748,299</u>
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Total assets	<u>20,612,855</u>
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Deferred Outflow of Resources

Unamortized issuance costs	<u>71,531</u>
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Liabilities

Current Liabilities (payable from current assets)

Accounts, salaries, and other payables	57,332
Compensated absences payable	6,500
Contract retainage payable	485,140
Contract payable	2,583,186
Total current liabilities (payable from current assets)	<u>3,132,158</u>

Current Liabilities (payable from restricted assets)

Customer deposits	167,700
Revenue bonds payable	573,598
Total current liabilities (payable from restricted assets)	<u>741,298</u>

Non-current Liabilities

Compensated absences payable	10,500
Revenue bonds payable	6,958,288
Total non-current liabilities	<u>6,968,788</u>
Total liabilities	<u>10,842,244</u>

Net Position

Net investment in capital assets	6,219,618
Restricted for Debt Service	2,018,339
Unrestricted	<u>1,604,185</u>

Total net position	<u>\$ 9,842,142</u>
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The accompanying notes are an integral part of this statement.

Town of Amite City

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUND
For the Year Ended June 30, 2024

	<u>Business-type Activity</u> <u>Waterworks and</u> <u>Sewer Fund</u>
<u>Operating Revenues</u>	
Charges for services -	
Water sales	\$ 671,282
Sewer charges	882,954
Delinquent charges	37,138
Connection charges	13,700
Operating grant	371,442
Miscellaneous	<u>11,620</u>
Total operating revenues	<u>1,988,136</u>
<u>Operating Expenses</u>	
Salaries	578,330
Payroll taxes	44,242
Employee benefits	131,819
Electricity -	
Water pumps	46,763
Sewerage plant	86,743
Repairs/Supplies -	
Water system	778,293
Sewerage system	121,599
Insurance	34,010
Truck and equipment expense	65,188
Office expense	23,345
Water testing	15,017
Sewerage testing	31,585
Professional fees	193
Other	17,263
Amortization	6,569
Depreciation	<u>297,536</u>
Total operating expenses	<u>2,278,495</u>
 Net operating income (loss)	 <u>(290,359)</u>
<u>Non-operating Revenues (Expenses)</u>	
Loan Forgiveness	146,261
Capital Grants	3,403,544
Interest income	140,427
Interest expense	<u>(123,061)</u>
Total non-operating revenues	<u>3,567,171</u>
 Change in net position	 3,276,812
 Total Net Position, Beginning	 <u>6,565,330</u>
 Total Net Position, Ending	 <u>\$9,842,142</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2024

	<u>Business-type Activity</u> <u>Waterworks and</u> <u>Sewer Fund</u>
<u>Cash flows from operating activities:</u>	
Receipts from customers	\$ 1,710,839
Receipts from operating grants	371,442
Payments to suppliers	(1,202,689)
Payments to employees	(754,391)
Net cash provided by operating activities	<u>125,201</u>
<u>Cash flows from capital and related financing activities:</u>	
Grant proceeds	2,629,457
Borrowings on DEQ loans	3,592,761
Bond issuance cost	(52,750)
Payments on USDA loan	(78,052)
Interest paid	(123,061)
Purchase of capital assets	(5,756,113)
Net cash provided by capital and related financing activities	<u>212,242</u>
<u>Cash flows from investing activities:</u>	
Interest income	<u>140,427</u>
Net cash provided by investing activities	<u>140,427</u>
Net increase in cash and cash equivalents	477,870
Cash and cash equivalents balance – beginning of year	<u>2,010,597</u>
Cash and cash equivalents balance – end of year	\$ <u>2,488,467</u>
<u>Reconciliation of operating income to net</u> <u>cash provided by operating activities:</u>	
Operating (loss)	\$ (290,359)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	297,536
Amortization expense	6,569
Change in assets and liabilities:	
Receivables, net	(11,458)
Due from other funds	104,084
Customer deposits	1,519
Accounts and other payables	17,310
Net cash provided by operating activities	\$ <u>125,201</u>
<u>Reconciliation of cash and cash equivalents to statement of net position</u>	
Cash and cash equivalents	\$ 302,428
Restricted cash and cash equivalents	2,186,039
Total cash and cash equivalents	\$ <u>2,488,467</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2024

	<u>Bond Money Fund</u>	<u>Prisoner Personal Money Fund</u>	<u>Total</u>
<u>Assets</u>			
Cash	\$ 7,909	\$ 1,030	\$ 8,939
Due From General Fund	<u>1,889</u>	<u>-</u>	<u>1,889</u>
Total Assets	<u>9,798</u>	<u>1,030</u>	<u>10,828</u>
<u>Liabilities</u>			
Due to defendants	9,798	-	9,798
Due to inmates	<u>-</u>	<u>1,030</u>	<u>1,030</u>
Total Liabilities	<u>9,798</u>	<u>1,030</u>	<u>10,828</u>
<u>Net Position</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

For the Year Ended June 30, 2024

	<u>Bond Money Fund</u>	<u>Prisoner Personal Money Fund</u>	<u>Total</u>
<u>Additions</u>			
Bonds	\$ 61,074	\$ -	\$ 61,074
Inmates personal money	-	82	82
Total Additions	<u>61,074</u>	<u>82</u>	<u>61,156</u>
<u>Deductions</u>			
Settled Deposits	<u>61,074</u>	<u>82</u>	<u>61,156</u>
Total Deductions	<u>61,074</u>	<u>82</u>	<u>61,156</u>
Net increase (decrease) in fiduciary net position	-	-	-
Net position- beginning	-	-	-
Net position- ending	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Town of Amite City

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2024

INTRODUCTION

The Town of Amite City, Louisiana (Town) was first incorporated on March 7, 1861. The Town adopted the provisions of Act 136 enacted on July 29, 1898, and became governed under the Lawrason Act. The Town is governed by an elected Mayor and Town Council. The Town provides the following services: public safety - police, streets, drainage, sanitation, culture/recreation, public improvements, planning and zoning, and general and administrative services. Other services include water and sewer services. The Town appropriates money for Fire District No. 1.

The accounting and reporting policies of the Town conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. REPORTING ENTITY AND REPORTING MODEL

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the identification of a primary government unit for financial reporting purposes. The GASB has set forth criteria to be considered in determining which governmental entities are primary governments. An entity is a primary government if it satisfies all of the following criteria:

- The entity has a separate governing body elected by the citizenry in a general, popular election.
- The entity is legally separate from other entities.
- The entity is fiscally independent of other state and local governmental entities.

Based on the above criteria the Town has determined that the Town of Amite City, Louisiana, is a primary government and financial reporting entity in accordance with GASB Statement No. 14. The Town has also determined that there are no component units that should be considered part of the Town for financial reporting purposes.

The accompanying basic financial statements of the Town have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual financial reports easier to understand and more useful to the people who use governmental financial information to make decisions. Following is a discussion on the new elements of the reporting model.

Management's Discussion and Analysis - GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports. Management has elected to omit the MD & A.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

Government-Wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Position - The statement of net position is designed to display the financial position of the primary government (government and business-type activities). Governments will report all capital assets, including infrastructure, in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial process of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the new reporting model, governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of final budget and actual results.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental and proprietary fund financial statements is on "major" funds. Fund statements present in separate columns the General Fund, followed by major funds, with non-major funds aggregated and displayed in a separate column. The new model (GASB Statement 34) sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. In addition to the funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users may be reported as a major fund.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND
FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Town implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented which establishes new financial reporting requirements for governments that provide their employees with pension benefits. Additional information about the Town's net pension liability is presented in the notes to the financial statements.

The Town implemented GASB Statement No. 72, *Fair Value Measurement and Application* as it relates to donated capital assets. Donated capital assets are to be measured at acquisition value.

The Town implemented policies established under GASB Statement No. 84, *Fiduciary Activities*. This standard defines and establishes criteria for identifying and reporting fiduciary activities. The focus of the criteria is on (1) whether the Town controls the assets in a fiduciary activity and (2) there are separate identifiable beneficiaries with whom a fiduciary relationship exists.

The Town implemented GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires all leases (contracts that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange-like transaction) to be reported under a single accounting model for both lessors and lessees. Certain leases that were previously classified as operating leases are to be recognized as lease assets and liabilities. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The Town implemented policies established under GASB Statement No. 96, *Subscription Based Information Technology Agreements (SBITAs)*. This statement provides guidance on the accounting and financial reporting for SBITAs for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including the implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The Town implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*.

During the fiscal year, the Town implemented policies under GASB Statement No. 100, *Accounting Changes and Error Corrections*, which is an amendment of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement also requires that information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. This statement has no impact on the

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

Town's financial statements for the year ended June 30, 2024.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (within 60 days of year end). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports on the following major governmental funds:

General Fund

The General Fund is the Town's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds:

The Sales Tax Fund accounts for the receipt and use of proceeds of the Town's 2% sales and use tax. The Town Council has dedicated a portion of collections of the sales and use tax, see Note 17 to these financial statements for details.

The Economic Development Fund accounts for the receipt and use of funds dedicated to economic development.

The Arts Council Fund accounts for the receipt and use of funds dedicated to art development.

Proprietary Fund:

Enterprise fund - account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town maintains one enterprise fund, the Waterworks and Sewer Fund, which provides water and sewer services.

Additionally, the Town reports the following fund type:

Fiduciary Funds:

The funds accounted for in this category by the Town are custodial funds.

The Bond Money Fund accounts for bond money held by the Town on behalf of the defendants prior to Mayor's court.

The Prisoner Personal Money Fund accounts for the personal money of prisoners being held by the Town during their incarceration. The funds are returned upon the prisoner's release.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

functions concerned.

Amounts reported as program revenues include 1) Fines and charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are user fees. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. DEPOSITS AND INVESTMENTS

Cash and cash equivalents include cash on hand, amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the municipality may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 12 months; however, if the original maturities are 12 months or less, they are classified as cash equivalents.

E. RECEIVABLES AND LEASED ASSET RECEIVABLES

Receivables are shown net of an allowance for uncollectibles. Uncollectible amounts due for water, sewer, and garbage charges are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivables. Uncollectible amounts for property taxes are recorded as a reduction of current revenues.

Leased asset receivables are a result of leases in which the Town has entered into a contract with a lessee that delivers the right to use a nonfinancial asset of the Town as specified by the contract for a period of time in an exchange or exchange-like transaction. Such receivables are reported on the government – wide financial statements at present value of the lease payments to be received during the lease term. Additionally, the Town would recognize a deferred inflow of resources that is reported at the value of the lease receivable plus any payments received at or before the commencement of the lease for future periods. Assets of agreement entered into in which the Town is the lessor are retained as capital assets of the Town and are reported in the government-wide financial statements as described in the first paragraph of Note 1.I. The Town has not entered into any agreements delivering control of a right to use a nonfinancial asset to a lessee as described above at June 30, 2024.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

G. PREPAIDS

Prepaid insurance is reported using the consumption method.

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2024

H. RESTRICTED ASSETS

Restricted assets consist of cash resources in the General Fund from drug seizures, grant money for the purchase of a vehicle, and cash and investment resources of the enterprise fund set aside for repayment of customer deposits and debt services. See Notes 13, 15, and 17 in regards to the revenue bond covenants that require the Town to set aside cash resources and revenue bond requirements.

I. CAPITAL ASSETS

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed. As a Phase III government under GASB Statement No. 34, the Town elects not to retroactively report infrastructure assets prior to June 30, 2003.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities -	
Buildings and building improvements	20 - 40 Years
Furniture and fixtures	5 - 10 Years
Vehicles	5 Years
Equipment	5 - 15 Years
Roads	20 Years
Water and Sewer Utility -	
Wells	25 Years
Storage tanks	40 Years
Lines and meters	40 Years
Sewerage system	40 Years

Right-of-use assets are a result of leases in which the Town has entered into a contract with a lessor that conveys control of the right-to-use the lessor's nonfinancial asset as specified by the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government – wide financial statements net of amortization. A corresponding lease liability be recognized on the government-wide financial statements at the commencement of the lease term at the present value of payments expected to be made during the lease term (less any lease incentives). Right-of -use assets are amortized at the lessor of the useful life or lease term. The Town entered into one agreement gaining control of the right-to-use a lessor's nonfinancial assets as described above during the fiscal year ended June 30, 2024.

A subscription-based information technology arrangement (SBITA) results from a contract that conveys control of the right-to-use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange like transaction. Such assets are recognized on the government – wide financial statements as a right-of-use SBITA, net of amortization. A corresponding subscription liability should be recognized on the government-wide financial statements at the present value of the subscription payments expected to be made during the subscription term. The Town has not entered into any agreements gaining control of the right-to-use SBITA assets as described above at June 30, 2024.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

All right of use assets are amortized using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities -	
Vehicles	5 Years
Equipment	5 Years

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

J. COMPENSATED ABSENCES

The Town has the following policy regarding annual and sick leave.

The earning of such leave shall be based on the equivalent of years of full-time service with the Town and for an employee having an administrative work week of five days shall be creditable at the end of each month in accordance with, or proportionate to, the following:

- a. Less than one year of service, at the rate of 1.54 hours of annual leave and 1.85 hours of sick leave per two week pay period.
- b. One year but less than ten years of service, at the rate of 3.08 hours of annual leave and 3.7 hours of sick leave per two week pay period.
- c. Ten years or more of service, at the rate of 4.62 hours annual leave and 3.7 hours of sick leave per two week pay period.

Accrued unused annual leave earned by an employee shall be carried forward to the succeeding calendar year but not in excess of 240 hours as of the last day of the year, December 31st. Accrued unused sick leave earned by an employee shall be carried forward to the succeeding fiscal year without limitation.

Upon termination, all unused annual leave accrued by an employee shall be paid to the terminating employee not to exceed 240 hours. Employees with less than one year of full-time employment are not considered vested for annual leave purposes and any annual leave accrued upon termination shall be canceled.

Employees who resign or who are dismissed from employment shall not be paid for any accrued sick leave and all such leave shall be canceled.

Employees who retire at or after age 60 with at least 10 years of creditable full-time employment or at or after age 55 with at least 20 years of creditable full-time employment are entitled (as an employment benefit) to be paid for unused sick leave computed as follows:

For each year of creditable employment, an employee will be paid at date of retirement unused accrued sick leave at an amount equal to 1.67 percent for each year of creditable employment not to exceed 50 percent of the retiring employee's unused sick leave at date of retirement.

The Town maintains its sick leave records in units of hours (or days). The amount to be paid shall be the percent determined in the preceding paragraph multiplied by the unused sick leave hours at the employee's final-average hourly salary. Final-average hourly salary is the employee's average salary over the last 36 consecutive months at date of retirement. Retirement for this purpose shall be the same as defined by the Municipal Employees' Retirement System of Louisiana.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

The cost of current leave privileges, computed in accordance with GASB Statement No. 16, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recognized as a liability in the governmental activities statement of net position. Leave privileges associated with employees of the proprietary fund are recorded as a fund liability and operating expense. The current and noncurrent portions are recorded in the government-wide and proprietary fund financial statements.

No liability is reported for unpaid accumulated sick leave.

K. LONG-TERM OBLIGATIONS

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of Net Position. Bond premiums and discounts, if any, as well as issuance costs, if any, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize both premiums and discounts, if any, as well as bond issuance costs, if any, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances, if any, are reported as other financing sources while discounts on debt issuances, if any, are reported as other financing uses.

L. RESTRICTED NET POSITION

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

- externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

M. FUND EQUITY

Governmental fund equity is classified as fund balance. Beginning with fiscal year ending June 30, 2011, the Town implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either not in spendable form or they are legally contractually required to be maintained intact.

The Town has prepaid insurance which is a resource that is in a nonspendable form and therefore reported as Nonspendable Fund Balance.

- **Restricted:** This classification includes amounts in which the use of resources is constrained either by (a) external impositions by creditors, grantors, contributors, or laws or regulations of other governments or (b) impositions by law through constitutional provisions or enabling legislation.

The Town has classified fund balance in the General Fund as restricted due to the constraints of the Twenty-First Judicial District regarding seized drug money and constraints imposed by the grantor.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council, which is the Town's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

The Town has committed resources in the Sales Tax Fund, the Economic Development Fund, the Arts Council Fund and the General Fund. In the Sales Tax Fund, the Town Council has committed these resources to the repayment of the USDA sewer loan and funding of certain accounts per the bond ordinance dated June 1, 2010, and the repayment of the USDA water loan and funding of certain accounts per the bond ordinance dated January 4, 2011. In the Economic Development Fund, the Town has committed resources dedicated to economic development per Ordinance No. 10-2003. In the Arts Council Fund, the Town has committed resources per Ordinance No. 3-2018. In the General Fund, the Town has committed resources for the future purchase of a garbage truck per Ordinance No. 16-2021.

- **Assigned:** This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Town's governing body itself or a committee or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

The Town has assigned resources in the General Fund. Assigned Fund Balance in the General Fund represents monies for the purchase of new city barn, construction of a new police station, and cemetery maintenance.

- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that is allowed to have a positive unassigned fund balance.

When fund balance resources are available for a specific purpose in multiple classifications, the Town will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Town's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

N. ESTIMATES

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

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. For the purpose of the statement of activities, all interfund transfers between funds have been eliminated.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

P. ELIMINATION AND RECLASSIFICATION

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Q. AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes were levied by the Town in October and billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Tangipahoa Parish Sheriff's office bills, collects, and remits payments to the Town using the assessed values determined by the tax assessor of Tangipahoa Parish.

R. SALES TAXES

The Town assesses a 2% sales and use tax. The Mayor and Town Council have dedicated a portion of the sales and use tax, see Note 17 to these financial statements for details.

S. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Town's items that qualify for this category are pension liability and bond issuance cost and are reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position, or Balance Sheet, will sometimes report separate sections for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Town's only item that qualifies for this category is pension liability. The amounts deferred and recognized as an inflow of resources in the period that the amounts become available.

(2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGET

Formal budgetary accounting is employed as a management control for all governmental funds of the Town. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund and Special Revenue Funds, and the same basis of accounting is used to reflect actual revenues and expenditures recognized on a generally accepted accounting principles basis. Budgets are prepared and adopted in accordance with the Louisiana Local Government Budget Act. Budgetary control is exercised at the fund level for each fund.

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

The original proposed budget for the General Fund and all special revenue funds was made available for public inspection on May 11, 2023. A public hearing was held at the Town's city hall on June 19, 2023. The budget was adopted on June 19, 2023.

The Budgets of the General Fund, Sales Tax Fund, Economic Development Fund, and Arts Council Fund were amended once during the fiscal year with the final amendment taking place on May 10, 2024.

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2024

B. REVENUES – ACTUAL AND BUDGET

The following individual funds had actual revenues and other sources fail to meet budgeted amounts for the year ended June 30, 2024.

Fund	Budget	Actual	Unfavorable Variance	Percent
Revenues and other financing sources:				
Art Council	\$ 19,130	\$ 15,615	\$ 3,515	18.37%

3) **DEPOSITS AND INVESTMENTS**

At June 30, 2024, the Town had deposits and investments (book balances) totaling \$7,929,187 as follows:

Statements of net position:

Cash and cash equivalents	\$ 5,727,241
Restricted asset – cash and cash equivalents	<u>2,201,946</u>
Total cash and cash equivalents	<u>\$ 7,929,187</u>

Deposits, investments, and other (GASB 3 and 40 disclosures) as of June 30, 2024, consists of the following:

Cash on hand	\$ 577
Deposits with financial institutions:	
Money market- public funds	2,547,782
Interest-bearing demand deposits	5,362,028
Non-interest bearing demand deposits	<u>18,800</u>
Total deposits and investments	<u>\$ 7,929,187</u>

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

Per GASB Statement 3, as amended by GASB 40; the Town's deposits are exposed to custodial credit risk since the collateral pledged by the fiscal agent is not held in the Town's name.

At June 30, 2024, the Town has \$7,990,409 in deposits (collected bank balances). These deposits are secured from risk by \$518,800 of federal deposit insurance and \$7,471,609 is uninsured but collateralized with securities held by the custodial bank in the name of the fiscal agent bank.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

(4) **RECEIVABLES**

Receivables at June 30, 2024, consist of the following:

<u>Class of Receivables</u>	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Total</u>
Taxes -				
Franchise and other	\$ 40,872	\$ -	\$ -	\$ 40,872
Occupational	20,522	-	-	20,522
Sales	-	349,398	-	349,398
Accounts -				
Prisoner housing fees	792	-	-	792
Garbage	43,889	-	-	43,889
Water and Sewer	-	-	146,832	146,832
Less: Allowance for Uncollectibles	(4,000)	-	(10,500)	(14,500)
Intergovernmental				
Beer Tax	3,348	-	-	3,348
Federal Grant	3,444	-	1,072,318	1,075,762
State Grant	12,844	-	-	12,844
Other	28,767	-	-	28,767
Totals	\$ 150,478	\$ 349,398	\$ 1,208,650	\$ 1,708,526

An allowance account for taxes receivable is not considered necessary.

(5) **AD VALOREM TAXES**

For the year ended June 30, 2024, taxes of 4.94 mills were levied on property with assessed valuations totaling \$29,099,633. Total taxes levied were \$143,752. Taxes receivable at June 30, 2024, were nil.

(6) **RESTRICTED ASSETS-CASH- GOVERNMENTAL FUNDS AND PROPRIETARY FUND TYPE**

Restricted assets were applicable to the following at June 30, 2024:

Governmental Funds:

General Fund – Drug seizure cash	\$ 9,463
General Fund – Money for future purchase of police vehicle equipment	6,444
	<u>\$ 15,907</u>

Proprietary Fund:

Customers' deposit – cash and investments	\$ 167,700
Revenue Bond requirements funds	2,018,339
	<u>\$ 2,186,039</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

(7) **CAPITAL ASSETS**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024:

<u>Governmental Activities:</u>	<u>Balance</u> <u>06/30/23</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>06/30/24</u>
Capital assets not depreciated:				
Land and land improvements	\$ 1,381,872	\$ 60,000	\$ 110,000	\$ 1,331,872
Construction in progress	37,185	79,644	-	116,829
Inactive assets	3,193	-	-	3,193
Total capital assets, not depreciated	<u>1,422,250</u>	<u>139,644</u>	<u>110,000</u>	<u>1,451,894</u>
Capital assets, being depreciated:				
Buildings	1,320,505	-	268,849	1,051,656
Improvements	608,153	-	55,662	552,491
Infrastructure	277,665	-	-	277,665
Vehicles	763,968	75,932	-	839,900
Office Equipment	62,336	16,518	3,074	75,780
Furniture & Fixtures	26,937	-	595	26,342
Machinery & Equipment	818,734	-	9,874	808,860
Lease assets	542,397	253,621	38,000	758,018
Total capital assets, being depreciated	<u>4,420,695</u>	<u>346,071</u>	<u>376,054</u>	<u>4,390,712</u>
Less: Accumulated depreciation/amortization:				
Buildings	848,667	22,059	189,196	681,530
Improvements	496,623	12,094	27,762	480,955
Infrastructure	68,988	12,172	-	81,160
Vehicles	699,463	35,957	-	735,420
Office Equipment	44,352	5,517	3,074	46,795
Furniture & Fixtures	23,605	656	595	23,666
Machinery & Equipment	607,632	42,414	9,873	640,173
Lease assets	212,979	109,537	32,933	289,583
Total accumulated depreciation/amortization	<u>3,002,309</u>	<u>240,406</u>	<u>263,433</u>	<u>2,979,282</u>
Total capital assets, being depreciated/amortization, net	<u>1,418,386</u>	<u>105,665</u>	<u>112,621</u>	<u>1,411,430</u>
Governmental activities capital assets, net	<u>\$ 2,840,636</u>	<u>\$ 245,309</u>	<u>\$ 222,621</u>	<u>\$ 2,863,324</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 16,060
Public safety	57,036
Streets	29,272
Sanitation	11,500
Parks and recreation	6,478
Community center	7,669
Economic Development	2,854
Total	<u>\$ 130,869</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

Amortization was charged to governmental function as follows:

Public safety- police \$109,537

Capital outlay expenditures charged to governmental functions were \$60,000, \$390,717, and \$34,998 for general government, public safety – police, and streets.

The following is a summary of changes in capital assets for the business-type activity for the fiscal year ended June 30, 2024:

	Balance 06/30/23	Increases	Decreases	Balance 06/30/24
<u>Business-type activity:</u>				
Capital assets, not being depreciated				
Land – water	\$ 36,392	\$ -	\$ -	\$ 36,392
Land – sewer	25,957	25,000	-	50,957
Construction in progress	1,562,537	8,342,267	569,650	9,335,154
Total capital assets not being depreciated	1,624,886	8,367,267	569,650	9,422,503
Capital assets, being depreciated				
Wells	1,085,455	-	-	1,085,455
Storage tanks	643,730	-	-	643,730
Water lines and meters	3,187,664	569,650	-	3,757,314
Sewerage system	6,758,943	-	-	6,758,943
Equipment	310,173	-	-	310,173
Total capital assets, being depreciated	11,985,965	569,650	-	12,555,615
Less accumulated depreciation for:				
Wells	390,422	24,301	-	414,723
Storage tanks	404,176	11,407	-	415,583
Water lines and meters	1,087,713	86,067	-	1,173,780
Sewerage system	2,786,696	168,748	-	2,955,444
Equipment	263,276	7,013	-	270,289
Total accumulated depreciation	4,932,283	297,536	-	5,229,819
Total capital assets, being depreciated, net	7,053,682	272,114	-	7,325,796
Business-type activities capital assets, net	\$ 8,678,568	\$ 8,639,381	\$ 569,650	\$ 16,748,299

Depreciation expense was charged to the business-type activity as follows:

Waterworks and Sewer Fund	\$ 297,536
Total	<u>\$ 297,536</u>

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

(8) PENSION PLAN

Some of the police department employees of the Town are members of the Municipal Police Employees' Retirement System of Louisiana (System). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The Town entered into a Section 218 agreement with the Social Security Administration effective January 1, 1954, which exempts police department employees from mandatory participation in the System. Pertinent information relative to the plan follows:

Municipal Police Employees' Retirement System of Louisiana

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System unless exempted. Employees who retire at any age with 25 years of creditable service or at age 50 with at least 20 years of creditable service or at age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained at www.lampers.org/auditreports.htm or by writing to the Municipal Police Employees Retirement System of Louisiana, 7722 Office Park Blvd, Suite 200, Baton Rouge, Louisiana 70809-7601, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 10.0 % of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 33.925% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. In accordance with state statute, the Systems receive insurance premium taxes. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions of \$36,895 are recognized as revenue and excluded from pension expense for the year ended June 30, 2024. The Town of Amite City contributions to the System for the year ending June 30, 2024, was \$203,342, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At June 30, 2024, the Town reported a liability of \$1,690,099 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns, actuarially determined. At June 30, 2023, the Town's proportion was .1599 %.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

For the year ended June 30, 2024, the Town recognized pension expense of \$105,623. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 119,051	\$ 708
Changes of assumptions	28,203	-
Net difference between projections and actual earnings on pension plan investments	182,456	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	193,590	112,592
Town contributions subsequent to the measurement date	203,342	-
Total	<u>\$ 726,642</u>	<u>\$ 113,300</u>

\$203,342 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended June 30:	
2025	\$ 174,089
2026	\$ 100,703
2027	\$ 144,499
2028	\$ (9,291)
2029	\$ -
Thereafter	\$ -

Actuarial assumptions. The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date June 30, 2023

Actuarial cost method Entry Age Normal Cost

Investment rate of return 2023- 6.750% 2022-6.750% 2021- 6.750% 2020- 6.950% 2019- 7.125%
(Net of investment expense) 2018 – 7.20%

Expected Remaining

Service lives- 2023- 4 years 2022- 4 years 2021- 4 years 2020- 4 Years 2019- 4 Years 2018 - 4 Years

Inflation rate 2023- 2.50% 2022-2.50% 2021- 2.50% 2020-2.50% 2019- 2.50% 2018- 2.60%

Mortality

For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.

For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

Cost-of-Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

Salary Increases, Including inflation and merit	Years of Service	Salary Growth Rate
	1-2	12.30%
	Above 2	4.70%

The best estimates of arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2023, are summarized in the following table:

Asset Class	June 30, 2023	
	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Equity	52%	3.29%
Fixed Income	34%	1.12%
Alternative	14%	.95%
Totals	100%	5.36%
Inflation		2.54%
Expected Arithmetic Returns		7.90%

Discount Rate. The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

term expected rate of return on pension plan investment was applied to all periods of projected benefit payments to determine pension liability.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.750%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.750% or one percentage point higher 7.750% than the current date as of June 30, 2023.

	Changes in Discount Rate		
	1%	Current	1%
	Decreased	Discount Rate	Increase
	5.750%	6.750%	7.750%
Net Pension Liability	\$ 2,378,103	\$ 1,690,099	\$ 1,115,363

(9) DEFERRED COMPENSATION PLAN

The Town offers all town employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The Town matches the employees' contributions up to 10 percent of covered salaries. The assets of the plan are held in trust, (custodial account or annuity contract) as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Town of Amite City's financial statements.

(10) RETIREMENT SYSTEM

Employees of the Town who are not participants in the Municipal Police Employees' Retirement System of Louisiana are members of the social security system. In addition to employee payroll deductions, Town funds are remitted to match the employee contributions. Aggregate contributions to the social security system for the year ended June 30, 2024, were \$309,197 of which \$154,598 was contributed by the Town.

(11) COMPENSATED ABSENCES

At June 30, 2024, employees of the Town have accumulated and vested \$97,915 of employee leave benefits which was computed in accordance with GASB Codification Section C60. Of this amount, \$80,915 is recorded as an obligation of the governmental activities. The leave liability for employees of the Enterprise Fund of \$17,000 is accounted for within the fund.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

(12) NONCURRENT LIABILITIES

A. SUMMARY OF CHANGES IN LONG-TERM DEBT

The following is a summary of the long-term obligation transactions for the year ended June 30, 2024:

Governmental Activities:	Balance 6/30/23	Additions	Reductions	Balance 6/30/24	Due Within One Year
Lease liabilities	\$ 313,060	\$ 260,000	\$ 30,584	\$ 542,476	\$ 77,390
Total Governmental Activities	\$ 313,060	\$ 260,000	\$ 30,584	\$ 542,476	\$ 77,390

Business-type Activities:	Balance 6/30/23	Additions	Reductions	Balance 6/30/24	Due Within One Year
Revenue bonds payable:					
DEQ-SRF#1	\$ 591,786	\$ 1,072,303	\$ -	\$ 1,664,089	\$ 493,000
DEQ-SRF#2	-	2,520,458	146,261	2,374,197	-
USDA - Sewer	1,893,653	-	40,917	1,852,736	42,349
USDA - Water	1,677,999	-	37,135	1,640,864	38,249
Total Bonds business- type activities	\$ 4,163,438	\$ 3,592,761	\$ 224,313	\$ 7,531,886	\$ 573,598

B. LEASE ASSETS

The Town entered into 3 different finance purchase agreement for the purchase of 5 police vehicles, 20 taser / body cameras, and 5 police vehicles. The agreement meets the criteria of a lease established under GASB Statement No. 87 since ownership of the underlying is being transferred to the Town. Lease payments are reflected as debt service expenditures at the government fund reporting level. The remaining assets acquired through leases are as follows:

	Governmental Activities	Total
Leased assets:		
Vehicles	\$ 405,625	\$ 405,625
Equipment	352,393	352,393
Less Accumulated Amortization	(289,583)	(289,583)
Right of use, net	\$ 468,435	\$ 468,435

The finance lease agreement that was entered into on August 9, 2019, for the purchase of 5 police vehicles was paid off in the fiscal year ended June 30, 2023

On June 23, 2022, the Town entered into a finance lease agreement with Axon Enterprises, Inc. for the lease of 20 tasers and body cameras. The effective date of the lease obligation is from July 2022 through July 2031 with an effective interest rate of 3.09%. The annual payments are \$40,258. Total Payments for the fiscal year ended June 30, 2024 are \$40,258 (principal of \$30,584 interest of \$9,673 which is reported in the Public safety- police function).

On January 15, 2024, the Town entered into a finance lease agreement with Municipal Asset Management, Inc.. for the lease of 5 Chevy Tahoes. The effective date of the lease obligation is from January 15, 2024, through January 15, 2029, with an effective interest rate of 6.19%. The semi-annual payments are \$30,627.89. The first payment is not due until the fiscal year ended June 30, 2025.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

C. BONDS

Revenue bonds payable are comprised of the following issue:

a.) \$2,262,000 Utilities Revenue Bonds, Series 2011A, dated June 14, 2011. Due in annual installments of \$28,000 to \$103,000 starting in January 2013 ending January 2051; interest at 3.5% payable annually starting January 2012.	\$ 1,852,736
b.) \$1,995,000 Utilities Revenue Bonds, Series 2011B, dated January 31, 2012. Due in annual installments of \$27,000 to \$84,000 starting in January 2014 ending January 2052; interest at 3.0% payable annually starting January 2013.	1,640,864
c.) \$1,664,089 of an authorized \$2,000,000 Taxable Utilities Revenue Bond, Series 2023A, dated April 4, 2023. Due in annual installments of \$493,000 to \$507,000 starting in April 2025 ending April 2028, interest at .45% payable semi-annually starting October 2023.	1,664,089
d.) \$2,374,197 of an authorized \$23,000,000 Taxable Utilities Revenue Bond, Series 2023B, dated December 27, 2023. Due in annual installments of \$218,000 to \$260,000 starting in April 2026 ending April 2045, interest at .45% payable semi-annually starting April 2025.	<u>2,374,197</u>
Total Revenue Bonds Payable	<u>\$ 7,531,886</u>

D. DEBT SERVICE REQUIREMENTS TO MATURITY

Governmental Activities-Lease Liabilities:

1. The annual requirements to amortize the lease liabilities outstanding as of June 30, 2024, including interest, are as follows:

2.

<u>Year</u>		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2025	\$	77,390	\$	24,124	\$	101,514
2026		81,246		20,267		101,513
2027		85,314		16,199		101,513
2028		89,606		11,907		101,513
2029		94,136		7,377		101,513
2030-2033		114,784		7,203		121,987
Total	\$	<u>542,476</u>	\$	<u>87,077</u>	\$	<u>629,553</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

Business-type Activities:

2. The annual requirements to amortize the Revenue Bonds debt outstanding as of June 30, 2024, including interest, are as follows:

<u>Year Ending June 30</u>	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 573,598	\$ 137,474	\$ 711,072
2026	799,229	138,165	937,394
2027	807,945	132,227	940,172
2028	481,839	126,175	608,014
2029	315,647	121,507	437,154
2030-2034	1,656,135	545,338	2,201,473
2035-2039	932,450	403,650	1,336,100
2040-2044	696,844	276,547	973,391
2045-2050	818,643	154,748	973,391
2051-2052	449,556	26,075	475,631
Total	\$ 7,531,886	\$ 2,061,906	\$ 9,593,792

E. CHANGES IN OTHER LONG-TERM LIABILITIES

During the year ended June 30, 2024, the Town had the following changes in noncurrent liabilities.

	<u>Balance</u> <u>06/30/23</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/24</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
Compensated Absences	\$ 80,915	\$ 60,567	\$ 60,567	\$ 80,915	\$ 38,678
Total government activities	\$ 80,915	\$ 60,567	\$ 60,567	\$ 80,915	\$ 38,678
	<u>Balance</u> <u>06/30/23</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/24</u>	<u>Due Within</u> <u>One Year</u>
<u>Business-Type Activities:</u>					
Compensated Absences	\$ 17,000	\$ 22,545	\$ 22,545	\$ 17,000	\$ 6,500
Total government activities	\$ 17,000	\$ 22,545	\$ 22,545	\$ 17,000	\$ 6,500

(13) **DEDICATION OF PROCEED & FLOW OF FUNDS - UTILITIES REVENUE - USDA - SEWER**

The Town through its governing authority adopted an ordinance on June 1, 2010, authorizing the issuance of Utilities Revenue Bonds, Series 2011A, in the amount of \$2,262,000 to pay for the cost to construct and acquire improvements, extensions, renovations and/or replacements to the sewerage system of the Town. The ordinance also authorized the execution of a Loan and Pledge Agreement with the United States Department of Agriculture - Rural Development providing for the sale and delivery of said bonds to the United States Department of Agriculture - Rural Development; prescribing the form, fixing the details, and providing for the payment of principal and interest on such bonds, entering into certain covenants and agreements in connection with the security and payment of said bonds. In that ordinance and the Loan and Pledge Agreement, the income and revenues of the combined sewerage system and waterworks system are irrevocably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes. In that ordinance and the Loan and Pledge Agreement, certain funds are required to be established as follows:

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

Utilities System Fund - The bond ordinance and the Loan and Pledge Agreement require that all revenues of the System shall be deposited in a separately identifiable account to be established with the Town's fiscal agent bank and designated as the "Utilities System Fund". The revenues deposited into the Utilities System Fund shall be expended in the following priority:

- 1.) Pay all reasonable and necessary expenses of operating and maintaining the Sewerage System
- 2.) Establish and fund a Sinking Fund as follows:

Money from the Utilities System Fund shall be deposited into the Sinking Fund in amounts sufficient to pay promptly and fully the principal of and interest on the Borrower Bonds and any Parity Obligations issued or hereafter as they severally become due and payable.

Money from the Utilities System Fund shall be transferred into the "Sinking Fund" monthly in advance on or before the twentieth (20th) day of each month of each year in an amount equal to the principal and interest with respect to the Borrower Bonds for such calendar month, together with such additional proportionate sum as may be required to pay such principal and interest as the same respectively become due.

Money in the Sinking Fund shall be deposited as trust funds and shall be used solely and are hereby expressly exclusively pledged for the purpose of paying principal of, interest on, and administrative fee, if any, with respect to the Borrower Bonds and any Parity Obligations. The borrower shall require its fiscal agent bank to transfer from the Sinking Fund to the paying agent (as defined in the Authorizing Ordinance) and any other paying agent bank or bank for any Parity Obligations payable from the Sinking Fund at least three (3) days in advance of each Interest payment date and principal payment date, funds fully sufficient to pay promptly the principal and interest falling due on such dates.

At June 30, 2024, the Town was in **compliance** with this covenant.

- 3.) Establish and fund a Reserve Fund as follows:

From the Revenue Fund, there shall be transferred monthly in advance on or before the twentieth (20th) day of each month of each year, to a separately identifiable account to be established with the Town's fiscal agent bank and designated as the Utilities Revenue Bond Reserve Fund, "Reserve" a sum at least equal to 25% of the amount required to be paid into the Sinking Fund for such month until such fund has accumulated an amount equal to the Reserve Fund Requirement; which is \$204,909 through 2024.

At June 30, 2024, the Town was in **compliance** with this covenant.

- 4.) Establish and fund a Utilities Depreciation and Contingency Fund as follows:

There is to be established and maintained with a Fiscal Agent Bank pursuant to the Authorizing Ordinance a separately identifiable fund or account designated as the "Utilities Depreciation and Contingency Fund". There shall be transferred to the Contingency Fund, on or before the twentieth (20th) day of each month of each year, an amount equal to five percent (5%) of the amount to be paid into the sinking fund.

Money accumulated in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payment in the Sinking Fund or the Reserve Fund.

At June 30, 2024, the Town was in **compliance** with this covenant.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

5.) Establish and fund a Sewer Component Short-Lived Assets Fund as follows:

From the Revenue Fund, there shall be transferred monthly in advance on or before the twentieth (20th) day of each month of each year, to a separately identifiable account to be established with the Town's fiscal agent bank and designated as the Sewer Component Short-Lived Assets Fund, (the "Assets Fund") to provide for the maintenance and replacement of short lived assets of the System. The transfer shall be \$1,486 per month over the life of the bonds.

At June 30, 2024, the Town was in **compliance** with this covenant.

(14) **COMPLIANCE WITH UTILITIES REVENUE BONDS COVENANTS - USDA – SEWER**

The Town through its governing authority adopted an ordinance on June 1, 2010, authorizing the issuance of Utilities Revenue Bonds, Series 2011A, in the amount of \$2,262,000 to pay for the cost to construct and acquire improvements, extensions, renovations and/or replacements to the sewerage system of the Town. The ordinance also authorized the execution of a Loan and Pledge Agreement with the United States Department of Agriculture - Rural Development providing for the sale and delivery of said bonds to the United States Department of Agriculture - Rural Development; prescribing the form, fixing the details, and providing for the payment of principal and interest on such bonds, entering into certain covenants and agreements in connection with the security and payment of said bonds.

The major covenants contained in the bond resolution and agreement and the manner in which the Town has complied with these covenants is described as follows:

Rate Covenant - In the bond ordinance and agreement, the Town obligated itself to fix, establish, maintain, and collect such rates, fees, rents, and other charges of the services and facilities of the System and to revise rates whenever necessary to provide revenues in each fiscal year sufficient to:

- a. pay the reasonable and necessary expenses of operating and maintaining the System;
- b. provide a reserve therefore and all other obligations or indebtedness payable out of the revenues of the System;
- c. provide reasonable depreciation and contingency funds to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the System; and
- d. provide net revenues in an amount equal to 120% of the largest amount of principal and interest on the DEQ loan and this sewer loan and any additional bonds hereafter.

The Town was in **compliance** with items a., b., c., and d. of the above rate covenant for the year ended June 30, 2024.

In connection with the rate covenant, the bond ordinance also contains specific procedures with regards to delinquent utility customers. The Town agreed that the failure of any person or business to pay the charges for any service rendered by the System within fifteen (15) days of the date on which it is due shall cause such charge to become delinquent; that if such delinquent charge, with interest and penalties accrued thereon, is not paid within ten (10) days from the date on which it became delinquent, the Town will shut off water and sewer services to the affected premises.

The delinquent charge will be ten percent (10%) of the amount of the charge, and the amount so due, including the penalty charge, shall, after thirty (30) days from the date of delinquency, bear interest at a reasonable rate of at least six percent (6%) per annum.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

If a delinquent customer has had their service discontinued, the customer shall pay the delinquent charge, penalty, interest, and a reasonable re-connection charge in order to resume service.

At June 30, 2024, the Town was **not in compliance** with the delinquent utility customers section of the bond ordinance.

The bond ordinance states that the delinquent charge will be 10 percent (10%) of the charge for water and sewer service. The Town charges a 10 percent (10%) penalty for all customers.

Records, Accounts, and Audit Requirements- The bond ordinance and loan agreement requires the Town to maintain and keep accurate records and accounts for the System separate and distinct from its other records and accounts. These System records shall be maintained in accordance with generally accepted accounting standards and shall be audited annually by an independent certified public accountant.

As of June 30, 2024, the Town was in **compliance** with this covenant as the Town was under contract with a certified public accountant for an audit of its records for the year ended June 30, 2024.

Insurance and Fidelity Bonds- The bond ordinance requires the Town to carry full coverage of insurance on the System while the loan agreement requires the Town to maintain insurance policies that will provide against the risk of direct physical loss, damage, or destruction of the System including liability coverage. In addition, per the bond ordinance the Town is required to obtain fidelity bonds on all its officers and employees in a position of authority or in possession of money derived from the operation of the System. The amount of coverage should be adequate enough to protect the Town from loss.

At June 30, 2024, the Town was in **compliance** with this covenant.

(15) **DEDICATION OF PROCEED & FLOW OF FUNDS - UTILITIES REVENUE - USDA - WATER**

The Town through its governing authority adopted an ordinance on January 4, 2011, authorizing the issuance of Utilities Revenue Bonds, Series 2011B, in the amount of \$1,995,000 to pay for the cost of constructing and acquiring improvements and renovations to the water system of the Town. The ordinance also authorized the execution of a Loan and Pledge Agreement with the United States Department of Agriculture - Rural Development providing for the sale and delivery of said bonds to the United States Department of Agriculture - Rural Development; prescribing the form, fixing the details, and providing for the payment of principal and interest on such bonds; and entering into certain covenants and agreements in connection with the security and payment of said bonds. In that ordinance and the Loan and Pledge Agreement, the income and revenues of the combined sewerage system and waterworks system are irrevocably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes. In that ordinance and the Loan and Pledge Agreement, certain funds are required to be established as follows:

Utilities System Fund - The bond ordinance and the Loan and Pledge Agreement require that all revenues of the System shall be deposited in a separately identifiable account to be established with the Town's fiscal agent bank and designated as the "Utilities System Fund". The revenues deposited into the Utilities System Fund shall be expended in the following priority:

- 1.) Pay all reasonable and necessary expenses of operating and maintaining the Water System.
- 2.) Establish and fund a Sinking Fund as follows:

Money from the Utilities System Fund shall be deposited into the Sinking Fund in amounts sufficient to pay promptly and fully the principal of and interest on the Borrower Bonds and any Parity Obligations issued or hereafter as they severally become due and payable.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

Money from the Utilities System Fund shall be transferred into the "Sinking Fund" monthly in advance on or before the twentieth (20th) day of each month of each year in an amount equal to the principal and interest with respect to the Borrower Bonds for such calendar month, together with such additional proportionate sum as may be required to pay such principal and interest as the same respectively become due.

Money in the Sinking Fund shall be deposited as trust funds and shall be used solely and are hereby expressly exclusively pledged for the purpose of paying principal of, interest on, and administrative fee, if any, with respect to the Borrower Bonds and any Parity Obligations. The borrower shall require its fiscal agent bank to transfer from the Sinking Fund to the paying agent (as defined in the Authorizing Ordinance) and any other paying agent bank or bank for any Parity Obligations payable from the Sinking Fund at least three (3) days in advance of each interest payment date and principal payment date, funds fully sufficient to pay promptly the principal and interest falling due on such dates.

At June 30, 2024, the Town was in **compliance** with this covenant.

3.) Establish and fund a Reserve Fund as follows:

From the Revenue Fund, there shall be transferred monthly in advance on or before the twentieth (20th) day of each month of each year, to a separately identifiable account to be established with the Town's fiscal agent bank and designated as the Utilities Revenue Bond Reserve Fund, "Reserve" a sum at least equal to 25% of the amount required to be paid into the Sinking Fund for such month until such fund has accumulated an amount equal to the Reserve Fund Requirement; which is \$291,860 through 2052.

At June 30, 2024, the Town was in **compliance** with this covenant.

4.) Establish and fund a Utilities Depreciation and Contingency Fund as follows:

There is to be established and maintained with a Fiscal Agent Bank pursuant to the Authorizing Ordinance a separately identifiable fund or account designated as the "Utilities Depreciation and Contingency Fund". There shall be transferred to the Contingency Fund, on or before the twentieth (20th) day of each month of each year, an amount equal to five percent (5%) of the amount to be paid into the sinking fund.

Money accumulated in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payment in the Sinking Fund or the Reserve Fund.

At June 30, 2024, the Town was in **compliance** with this covenant.

5.) Establish and fund a Water Component Short-Lived Assets Fund as follows:

From the Revenue Fund, there shall be transferred monthly in advance on or before the twentieth (20th) day of each month of each year, to a separately identifiable account to be established with the Town's fiscal agent bank and designated as the Water Component Short-Lived Assets Fund, (the "Assets Fund") to provide for the maintenance and replacement of short lived assets of the System. The transfer shall be \$2,400 per month over the life of the bonds.

At June 30, 2024, the Town was in **compliance** with this covenant.

(16) **COMPLIANCE WITH UTILITIES REVENUE BONDS COVENANTS - USDA - WATER**

The Town through its governing authority adopted an ordinance on January 4, 2011, authorizing the issuance of Utilities Revenue Bonds, Series 2011B, in the amount of \$1,995,000 to pay for the cost of constructing and acquiring improvements and renovations to the water system of the Town. The ordinance also authorized the execution of a Loan and Pledge Agreement with the United States Department of

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

Agriculture - Rural Development providing for the sale and delivery of said bonds to the United States Department of Agriculture - Rural Development; prescribing the form, fixing the details, and providing for the payment of principal and interest on such bonds; and entering into certain covenants and agreements in connection with the security and payment of said bonds.

The major covenants contained in the bond resolution and agreement and the manner in which the Town has complied with these covenants is described as follows:

Rate Covenant - In the bond ordinance and agreement, the Town obligated itself to fix, establish, maintain, and collect such rates, fees, rents, and other charges of the services and facilities of the System and to revise rates whenever necessary to provide revenues in each fiscal year sufficient to:

- a. pay the reasonable and necessary expenses of operating and maintaining the System;
- b. provide a reserve therefore and all other obligations or indebtedness payable out of the revenues of the System;
- c. provide reasonable depreciation and contingency funds to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the System; and
- d. provide net revenues in an amount equal to 120% of the largest amount of principal and interest on the DEQ loan and this sewer loan and any additional bonds hereafter.

The Town was in **compliance** with items a., b., c., and d. of the above rate covenant for the year ended June 30, 2024.

In connection with the rate covenant, the bond ordinance also contains specific procedures with regards to delinquent utility customers. The Town agreed that the failure of any person or business to pay the charges for any service rendered by the System within fifteen (15) days of the date on which it is due shall cause such charge to become delinquent; that if such delinquent charge, with interest and penalties accrued thereon, is not paid within ten (10) days from the date on which it became delinquent, the Town will shut off water and sewer services to the affected premises.

The delinquent charge will be ten percent (10%) of the amount of the charge, and the amount so due, including the penalty charge, shall, after thirty (30) days from the date of delinquency, bear interest at a reasonable rate of at least six percent (6%) per annum.

If a delinquent customer has had their service discontinued, the customer shall pay the delinquent charge, penalty, interest, and a reasonable re-connection charge in order to resume service.

At June 30, 2024, the Town was **not in compliance** with the delinquent utility customers section of the bond ordinance.

The bond ordinance states that the delinquent charge will be 10 percent (10%) of the charge for water and sewer service. The Town charges a 10 percent (10%) penalty for all customers.

Records, Accounts, and Audit Requirements- The bond ordinance and loan agreement requires the Town to maintain and keep accurate records and accounts for the System separate and distinct from its other records and accounts. These System records shall be maintained in accordance with generally accepted accounting standards and shall be audited annually by an independent certified public accountant.

As of June 30, 2024, the Town was in **compliance** with this covenant as the Town was under contract with a certified public accountant for an audit of its records for the year ended June 30, 2024.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

Insurance and Fidelity Bonds- The bond ordinance requires the Town to carry full coverage of insurance on the System while the loan agreement requires the Town to maintain insurance policies that will provide against the risk of direct physical loss, damage, or destruction of the System including liability coverage. In addition, per the bond ordinance the Town is required to obtain fidelity bonds on all its officers and employees in a position of authority or in possession of money derived from the operation of the System. The amount of coverage should be adequate enough to protect the Town from loss.

At June 30, 2024, the Town was in **compliance** with this covenant.

(17) DEDICATION OF PROCEEDS & FLOW OF FUNDS - SALES AND USE TAX

A portion of the proceeds of a 2% sales and use tax levied by the Town net of collection expenses (2024, \$4,349,839) are dedicated as follows:

1. The proceeds of the 2% sales and use tax are pledged toward the operating expenses of the Waterworks and Sewer System in connection with the issuance of Utilities Revenue Bonds, Series 2002.

The dedication is based on the bond resolution adopted August 6, 2002.

2. Provide funds for an economic development fund to be used at the discretion of the Mayor and Board of Aldermen. This funding totals 2.5% of sales and use tax collections.

The dedication is based on an ordinance adopted July 1, 2003.

3. The proceeds of the 2% sales and use tax are pledged toward the operating expenses of the Waterworks and Sewer System in connection with the issuance of Utilities Revenue Bonds, Series 2011A.

The dedication is based on adoption of Ordinance No. 8-2010 on June 1, 2010.

4. The proceeds of the 2% sales and use tax are pledged toward the operating expenses of the Waterworks and Sewer System in connection with the issuance of Utilities Revenue Bonds, Series 2011B.

The dedication is based on adoption of Ordinance No. 1-2011 on January 4, 2011.

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 dedications shall be regarded as surplus and may be used for any lawful corporate purpose.

The Town's sales and use taxes are collected by the Central Collection Commission (CCC) of Tangipahoa Parish. For these services, the Town pays CCC a monthly charge of .65 percent of amounts collected plus expenses.

(18) INTERFUND RECEIVABLES AND PAYABLES / TRANSFERS

A. Balances due to/from other funds at June 30, 2024, consist of the following:

Due to the Economic Development Fund from the General Fund to offset cash shortage	\$87,000
Due to the Bond Money Fund from the General Fund for overpayment of fine money	1,889
Due to the Waterworks Fund from the General Fund to offset cash shortage	<u>165,249</u>
	<u>\$254,138</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

Summary of balances due from (to) other funds reported in fund financial statements:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Balance Sheet – Governmental Funds	\$ 87,000	\$ 254,138
Statement of Net Position - Proprietary Fund	165,249	-
Statement of Fiduciary Net Position	1,889	-
	<u>\$ 254,138</u>	<u>\$ 254,138</u>

B. Interfund transfers at June 30, 2024, consist of the following:

From the Sales Tax Fund to the General Fund to subsidize operations	\$ 4,254,795
From the Sales Tax Fund to the Economic Development Fund as required by Ordinance 10-2003	108,787
From the General Fund to the Arts Council Fund a required the annual budget	<u>12,000</u>
	<u>\$ 4,375,582</u>

(19) **LITIGATION AND CLAIMS**

At June 30, 2024, the Town is involved in litigation or is aware of various claims totaling an undetermined amount. No amounts have been accrued related to litigation and claims as of June 30, 2024.

(20) **COMPENSATION PAID MAYOR, CHIEF OF POLICE, TOWN COUNCIL, AND BOARD MEMBERS**

Amounts paid to or on behalf of the Mayor, Chief of Police, and members of the Town Council as compensation are as follows:

Walter Daniels, Mayor	\$ 30,000
Lendrick Francois, Chief of Police	85,363
<u>Town Council</u>	
Jonathon Foster	12,540
Damon S. Ellzey	12,540
Roseline A. Sumrall	12,540
Kenyetta Richardson	8,029
Carl Foster	3,708
Charles M. Guzzardo	<u>11,400</u>
	<u>\$ 176,120</u>

Compensation paid to the board members of the Town of Amite City's Planning and Zoning Commission for the year ended June 30, 2024, is as follows:

Wash Edwards	\$ 325
Irma Kelly	250
Mary Lou Lee	<u>275</u>
	<u>\$ 850</u>

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2024

(21) ON BEHALF PAYMENTS BY STATE OF LOUISIANA

For the year ended June 30, 2024 the State of Louisiana made on behalf payments in the form of supplemental pay to the Town's policemen. In accordance with GASB 24, the Town has recorded \$62,600 of on behalf payments as revenue and as expense in the General Fund.

(22) RISKS AND UNCERTAINTIES

The Town of Amite City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town attempts to minimize risk from significant losses through the purchase of commercial insurance.

(23) CUSTODIAL CREDIT RISK – DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2024, \$7,990,409 of the Town's bank balances are exposed to custodial credit risk. The \$7,471,609 is uninsured but collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name.

(24) COMMITMENTS AND CONTINGENCIES

The Town had four professional service contracts as of June 30, 2024. At year end, the commitments were with the following professionals. These contracts are due within the next fiscal year, June 30, 2025.

	Spent to Date	Remaining Commitment
Larry's Lawn Care	\$ 67,500	\$ 94,500
Consolidated Services	\$1,309,045	\$3,264,728
MCA Engineering LLC	\$1,111,136	\$4,199,864
NCMC, LLC	\$2,214,105	\$6,322,895

(25) TAX ABATEMENTS

The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) is an original state incentive program which offers attractive tax incentive for manufacturers within the state. The program abates, for up to ten years, local property taxes (ad valorem) on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. This exemption is granted per contract with the Louisiana Department of Economic Development and will specify the buildings and / or personal property items covered by the exemption. There are currently no tax abatements in the Town of Amite City.

(26) SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the following events occurred:

Subsequent events have been evaluated by management through December 20, 2024, the date the financial statements were available for issuance. No other events were noted requiring recording or additional disclosure in the financial statements for the year ending June 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION (Part II)

Town of Amite City

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND-SUMMARY
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Taxes	\$ 329,000	\$ 329,500	\$ 326,268	\$ (3,232)
Licenses and permits	243,000	215,000	341,772	126,772
Intergovernmental	239,300	250,500	292,371	41,871
Fines and forfeitures	59,000	45,000	50,878	5,878
Sanitation service fees	443,000	455,000	458,123	3,123
Prisoner housing fees	9,000	17,000	18,610	1,610
Subpoena & bond appearance fees	1,600	1,500	1,365	(135)
Rentals and recreational	12,900	18,000	24,350	6,350
Cemetery	45,500	48,000	45,660	(2,340)
Miscellaneous	127,000	255,250	294,523	39,273
Total revenues	<u>1,509,300</u>	<u>1,634,750</u>	<u>1,853,920</u>	<u>219,170</u>
<u>Expenditures</u>				
Current-				
General government	1,487,350	1,547,650	1,377,786	169,864
Public safety- police	2,235,015	2,329,219	2,145,414	183,805
Public safety- fire	320,000	320,000	320,000	-
Streets	1,385,100	1,077,500	1,072,955	4,545
Sanitation	246,500	259,000	263,708	(4,708)
Community Center	16,550	28,050	28,242	(192)
Cemetery	78,000	101,650	75,187	26,463
Parks and recreation	125,500	125,200	144,439	(19,239)
Intergovernmental (DMV)	22,500	31,000	33,527	(2,527)
Miscellaneous	36,900	37,150	41,371	(4,221)
Debt Service:				
Principal	59,970	-	30,584	(30,584)
Interest	1,900	-	9,673	(9,673)
Total expenditures	<u>6,015,285</u>	<u>5,856,419</u>	<u>5,542,886</u>	<u>313,533</u>
(Deficiency) of revenues over expenditures	<u>(4,505,985)</u>	<u>(4,221,669)</u>	<u>(3,688,966)</u>	<u>532,703</u>
<u>Other financing sources</u>				
Sale of capital assets	140,000	600,000	600,000	-
Insurance proceeds	-	-	19,881	19,881
Proceeds from financing lease	-	260,000	260,000	-
Operating transfers in	4,040,716	4,157,900	4,254,795	96,895
Transfer to Arts Council	(12,000)	(12,000)	(12,000)	-
Transfer to Economic Development	-	-	-	-
Transfer to Waterworks and Sewer	(175,000)	-	-	-
Total other financing sources	<u>3,993,716</u>	<u>5,005,900</u>	<u>5,122,676</u>	<u>116,776</u>
Net change in Fund Balance	(512,269)	784,231	1,433,710	649,479
Fund balance - beginning	<u>2,719,634</u>	<u>2,893,907</u>	<u>2,893,907</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,207,365</u>	<u>\$ 3,678,138</u>	<u>\$ 4,327,617</u>	<u>\$ 649,479</u>

Town of Amite City

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - DETAIL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Taxes-				
Ad Valorem	\$154,000	\$ 143,500	\$ 141,978	\$ (1,522)
Public utilities franchise	175,000	186,000	184,290	(1,710)
Licenses and permits-				
Occupational licenses	225,000	193,000	317,363	124,363
Chain store licenses & Beer Liquor	11,500	13,000	13,029	29
Permits	6,500	9,000	11,380	2,380
Intergovernmental-				
Beer taxes	12,500	12,500	12,344	(156)
Federal grants -ARP		31,800	31,842	42
Federal grant- USDA	-	-	18,800	18,800
LGAP Grant	-	-	28,529	28,529
State highway maintenance	5,300	6,600	6,625	25
Department of Motor Vehicles	50,000	42,000	54,994	12,994
On behalf payments by the state	114,000	80,000	62,600	(17,400)
In school officer-TPSB	54,000	65,000	65,533	533
AHS Football Security	-	5,000	3,416	(1,584)
Capital District Grant - Police	3,500	7,600	7,688	88
Fines and forfeitures	59,000	45,000	50,878	5,878
Charges for services-				
Garbage fees	443,000	455,000	458,123	3,123
Prisoner housing fees	9,000	17,000	18,610	1,610
Subpoena & bond appearance fees	1,600	1,500	1,365	(135)
Rentals and recreational	12,900	18,000	24,350	6,350
Cemetery	45,500	48,000	45,660	(2,340)
Miscellaneous revenues-				
Coke Fund	-	250	284	34
Interest	100,000	185,000	203,689	18,689
Miscellaneous	20,000	62,000	81,460	19,460
Accident reports	7,000	8,000	9,090	1,090
Total revenues	<u>\$ 1,509,300</u>	<u>\$ 1,634,750</u>	<u>\$ 1,853,920</u>	<u>\$ 219,170</u>

(Continued)

See independent auditors' report

Town of Amite City

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - DETAIL
For the Year Ended June 30, 2024

	Original	Final	Actual	Variance with Final Budget Favorable (Unfavorable)
<u>General Government</u>	<u>Budget</u>	<u>Budget</u>	<u>Amounts</u>	
Salaries - Mayor and Council	\$ 87,000	\$ 87,000	\$ 87,000	\$ -
Salaries - City Clerk & Tax Collector	50,000	48,500	-	48,500
Salaries - Others	300,000	309,000	215,383	93,617
Retirement contributions	55,350	55,350	75,720	(20,370)
Employee benefits- Health, Life, Denta	163,500	163,500	131,313	32,187
Payroll taxes	186,000	160,000	154,043	5,957
Attorney	80,000	80,000	80,000	-
Audit and accounting services	50,000	66,500	67,687	(1,187)
Insurance (all departments)	325,000	310,000	324,016	(14,016)
Office expense	19,000	19,000	28,793	(9,793)
Official journal	2,700	2,500	1,756	744
City Hall utilities	20,000	18,500	15,664	2,836
City Hall telephones	8,500	12,700	12,959	(259)
City Hall maintenance	10,000	13,000	18,548	(5,548)
Convention expense	4,500	5,000	5,662	(662)
Dues	3,500	3,500	3,332	168
Ad Valorem collection fees	21,300	21,300	1,178	20,122
Assessor and tax roll	4,500	5,000	-	5,000
Compliance officer & expenses	7,200	7,200	6,800	400
Travel	7,000	7,000	6,338	662
Medical expense	200	500	430	70
Miscellaneous	10,000	10,000	10,562	(562)
Contract services	2,100	2,100	1,735	365
Magistrate judge and city prosecutor	39,000	39,000	38,000	1,000
Litter program	500	-	-	-
Janitorial - city hall	5,000	4,000	3,666	334
Consultants	10,000	10,000	10,000	-
Mayor's court expense	3,500	3,500	2,242	1,258
Subpoena wages & Bond expense	1,000	1,000	-	1,000
Equipment acquisition	3,000	2,000	-	2,000
Capital acquisition	-	60,000	60,000	-
Computer Software	8,000	21,000	14,959	6,041
Total General Government	<u>\$ 1,487,350</u>	<u>\$ 1,547,650</u>	<u>\$ 1,377,786</u>	<u>\$ 169,864</u>

(Continued)

See independent auditors' report

Town of Amite City

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - DETAIL
For the Year Ended June 30, 2024

	Original	Final	Actual	Variance with Final Budget Favorable (Unfavorable)
	Budget	Budget	Amounts	
<u>Public Safety - Police</u>				
Salaries - Chief of Police	\$ 87,600	\$ 87,600	\$ 85,363	\$ 2,237
Salaries and benefits	1,450,266	1,291,041	1,159,032	132,009
In School Officer	55,000	55,000	33,880	21,120
On behalf payments by state	114,000	80,000	62,600	17,400
Retirement contributions	215,000	190,000	203,342	(13,342)
Auto fuel	101,050	44,050	41,115	2,935
Auto repairs	21,880	51,880	41,346	10,534
Uniforms	15,800	15,800	14,516	1,284
Repairs and maintenance	20,880	9,000	8,723	277
Prisoner expense	19,634	19,700	18,394	1,306
Office expense	16,500	16,500	15,202	1,298
Schools - conventions	11,000	7,800	7,748	52
Utilities	27,500	27,500	30,949	(3,449)
Equipment rent	2,148	2,148	2,324	(176)
Capital acquisitions	7,000	39,000	-	39,000
Equipment	43,257	43,300	2,682	40,618
Technology	15,000	31,000	33,363	(2,363)
Medical	-	2,200	1,913	287
Police Misc	-	800	1,233	(433)
Police construction	-	37,200	79,644	(42,444)
Grant expense	4,000	10,200	9,720	480
Subpeona Wages	1,000	1,000	-	1,000
Informant monies	1,500	1,500	-	1,500
Drug Fund /Miscellaneous expense	5,000	5,000	-	5,000
Capital acquisitions-Vehicles	-	260,000	292,325	(32,325)
Total Public Safety - Police	<u>\$ 2,235,015</u>	<u>\$ 2,329,219</u>	<u>\$ 2,145,414</u>	<u>\$ 183,805</u>
<u>Public Safety - Fire</u>				
Fire Protection District No. 1	\$ 320,000	\$ 320,000	\$ 320,000	\$ -
Total Public Safety - Fire	<u>\$ 320,000</u>	<u>\$ 320,000</u>	<u>\$ 320,000</u>	<u>\$ -</u>

(Continued)

See independent auditors' report

Town of Amite City

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - DETAIL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<u>Streets</u>				
Salaries and benefits	\$ 867,600	\$ 710,000	\$ 701,906	\$ 8,094
Street and traffic lights	118,000	118,000	122,436	(4,436)
Equipment fuel	31,000	31,000	17,053	13,947
Landfill	21,000	21,000	15,413	5,587
Materials and supplies	35,000	40,000	56,206	(16,206)
Uniforms	15,000	15,000	16,878	(1,878)
Utilities	10,500	12,500	12,008	492
Street vehicle maintenance	35,000	35,000	38,142	(3,142)
Street Drainage	5,000	5,000	245	4,755
Capital acquisitions	247,000	35,000	34,998	2
Building Rental-Maint Facility	-	5,000	5,000	-
District Public Works	-	50,000	52,670	(2,670)
Total Streets	<u>\$ 1,385,100</u>	<u>\$ 1,077,500</u>	<u>\$ 1,072,955</u>	<u>\$ 4,545</u>
<u>Sanitation</u>				
Salaries and Benefits	\$ 76,500	\$ 71,000	\$ 72,110	\$ (1,110)
Equipment repairs, supplies, uniform	50,000	65,000	68,892	(3,892)
Fuel	25,000	28,000	24,152	3,848
Landfill	95,000	95,000	98,554	(3,554)
Total Sanitation	<u>\$ 246,500</u>	<u>\$ 259,000</u>	<u>\$ 263,708</u>	<u>\$ (4,708)</u>
<u>Community Center</u>				
Salaries and Benefits	\$ 2,050	\$ 2,800	\$ 2,677	\$ 123
Utilities	7,000	14,500	11,674	2,826
Repairs and supplies	7,500	10,000	13,142	(3,142)
Equipment acquisition	-	750	749	1
Total Community Center	<u>\$ 16,550</u>	<u>\$ 28,050</u>	<u>\$ 28,242</u>	<u>\$ (192)</u>
<u>Cemetery</u>				
Salaries	\$ 32,300	\$ 26,000	\$ 31,548	\$ (5,548)
Contract Mowing	-	29,600	-	29,600
Office Supplies	600	750	529	221
Materials, supplies, and fuel	23,000	15,000	12,600	2,400
Cemetery slab	20,000	20,000	17,600	2,400
Miscellaneous	1,000	8,500	11,151	(2,651)
Utilities	1,100	1,800	1,759	41
Total Cemetery	<u>\$ 78,000</u>	<u>\$ 101,650</u>	<u>\$ 75,187</u>	<u>\$ 26,463</u>

(Continued)

See independent auditors' report

Town of Amite City

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - DETAIL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<u>Parks and Recreation</u>				
Salaries and Benefits	\$ 20,000	\$ 18,700	\$ 18,434	266
Repairs, supplies, and beautification	3,000	3,000	2,704	296
Utilities	6,500	7,500	8,434	(934)
Park improvements	5,000	5,000	-	5,000
Contract Mowing	91,000	91,000	114,867	(23,867)
Total Parks and Recreation	<u>\$ 125,500</u>	<u>\$ 125,200</u>	<u>\$ 144,439</u>	<u>\$ (19,239)</u>
 <u>Intergovernmental (DMV)</u>				
Maintenance, Repairs and Supplies	\$ 6,000	\$ 5,000	\$ 7,548	\$ (2,548)
Utilities	10,500	22,000	23,333	(1,333)
Janitorial	6,000	4,000	2,646	1,354
Total intergovernmental	<u>\$ 22,500</u>	<u>\$ 31,000</u>	<u>\$ 33,527</u>	<u>\$ (2,527)</u>
 <u>Miscellaneous</u>				
Coroner	\$ 9,000	\$ 7,000	\$ 7,585	\$ (585)
Dilapidated Properties	-	1,000	600	400
Senior citizens	14,000	14,000	18,409	(4,409)
Planning and zoning	900	900	850	50
Animal shelter	12,500	12,500	12,423	77
Chamber of Commerce	500	1,750	1,504	246
Total Miscellaneous	<u>\$ 36,900</u>	<u>\$ 37,150</u>	<u>\$ 41,371</u>	<u>\$ (4,221)</u>
 <u>Debt Service</u>				
Principal	\$ 59,970	\$ -	\$ 30,584	\$ (30,584)
Interest	1,900	-	9,673	(9,673)
Total Debt Service	<u>\$ 61,870</u>	<u>\$ -</u>	<u>\$ 40,257</u>	<u>\$ (40,257)</u>
 <u>Other Financing Sources (Uses)</u>				
Sale of capital assets	\$ 140,000	\$ 600,000	\$ 600,000	\$ -
Insurance proceeds	-	-	19,881	19,881
Proceeds from Financing Lease	-	260,000	260,000	-
Operating transfers in:				
Sales Tax Fund	4,040,716	4,134,200	4,254,795	120,595
Economic Development	-	23,700	-	(23,700)
Operating transfers (out):				
Waterworks and Sewer Fund	(175,000)	-	-	-
Arts Council Fund	(12,000)	(12,000)	(12,000)	-
Total Other Financing Sources (Uses)	<u>\$ 3,993,716</u>	<u>\$ 5,005,900</u>	<u>\$ 5,122,676</u>	<u>\$ 116,776</u>

(Concluded)

See independent auditors' report

Town of Amite City

BUDGETARY COMPARISON SCHEDULE

SALES TAX FUND

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Sales taxes	\$ 4,170,000	\$ 4,268,000	\$ 4,378,125	\$ 110,125
Interest	816	900	13,563	12,663
Total revenues	<u>4,170,816</u>	<u>4,268,900</u>	<u>4,391,688</u>	<u>122,788</u>
<u>Expenditures</u>				
General government - Collection fees	<u>27,100</u>	<u>28,000</u>	<u>28,286</u>	<u>(286)</u>
Total expenditures	<u>27,100</u>	<u>28,000</u>	<u>28,286</u>	<u>(286)</u>
Excess of revenues over expenditures	<u>4,143,716</u>	<u>4,240,900</u>	<u>4,363,402</u>	<u>122,502</u>
<u>Other financing (uses)</u>				
Transfer to General Fund	(4,040,716)	(4,134,200)	(4,254,795)	(120,595)
Transfer to Economic Development	<u>(103,000)</u>	<u>(106,700)</u>	<u>(108,787)</u>	<u>(2,087)</u>
Total other financing (uses)	<u>(4,143,716)</u>	<u>(4,240,900)</u>	<u>(4,363,582)</u>	<u>(122,682)</u>
Net change in Fund Balance	-	-	(180)	(180)
Fund balance - beginning	<u>334,852</u>	<u>352,997</u>	<u>352,997</u>	<u>-</u>
Fund balance – ending	<u>\$ 334,852</u>	<u>\$ 352,997</u>	<u>\$ 352,817</u>	<u>\$ (180)</u>

See independent auditors' report.

Town of Amite City

BUDGETARY COMPARISON SCHEDULE
ECONOMIC DEVELOPMENT FUND
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Interest	\$ 15,000	\$ 30,000	\$ 37,932	\$ 7,932
Total revenues	<u>15,000</u>	<u>30,000</u>	<u>37,932</u>	<u>7,932</u>
<u>Expenditures</u>				
TEDF Dues	2,055	2,000	2,055	(55)
Chamber of Commerce	13,500	20,000	14,234	5,766
Interstate Lighting	-	12,300	-	12,300
Miscellaneous Expenditure	150	2,500	1,938	562
Total Expenditures	<u>15,705</u>	<u>36,800</u>	<u>18,227</u>	<u>18,573</u>
Excess (Deficiency) of revenues over expenditures	(705)	(6,800)	19,705	26,505
<u>Other financing sources (uses)</u>				
Operating transfers in(out):				
Sales Tax Fund	103,000	106,700	108,787	2,087
General Fund	<u>-</u>	<u>(23,700)</u>	<u>-</u>	<u>23,700</u>
Total other financing sources	<u>103,000</u>	<u>83,000</u>	<u>108,787</u>	<u>25,787</u>
Net change in Fund Balance	102,295	76,200	128,492	52,292
Fund balance – beginning	<u>698,671</u>	<u>727,696</u>	<u>727,696</u>	<u>-</u>
Fund balance – ending	<u>\$ 800,966</u>	<u>\$ 803,896</u>	<u>\$ 856,188</u>	<u>\$ 52,292</u>

Town of Amite City

BUDGETARY COMPARISON SCHEDULE
ARTS COUNCIL FUND
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Interest	\$ 900	\$ 1,800	\$ 1,875	\$ 75
Event Ticket Sales	-	830	830	-
Donations	-	500	500	-
Art/ Drama Camp	-	4,000	410	(3,590)
Total revenues	<u>900</u>	<u>7,130</u>	<u>3,615</u>	<u>(3,515)</u>
<u>Expenditures</u>				
Art Development	7,000	10,700	6,874	3,826
Entergy	1,000	1,300	1,544	(244)
Christmas Show	4,000	3,675	3,675	-
Planetarium	-	1,695	-	1,695
Adult Workshop	-	2,500	-	2,500
Total expenditures	<u>12,000</u>	<u>19,870</u>	<u>12,093</u>	<u>7,777</u>
(Deficiency) of revenues over expenditures	(11,100)	(12,740)	(8,478)	4,262
<u>Other financing sources</u>				
Operating transfer in:				
General Fund	12,000	12,000	12,000	-
Total other financing sources	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Net change in Fund Balance	900	(740)	3,522	4,262
Fund balance – beginning	<u>35,662</u>	<u>35,942</u>	<u>35,942</u>	<u>-</u>
Fund balance – ending	<u>\$ 36,562</u>	<u>\$ 35,202</u>	<u>\$ 39,464</u>	<u>\$ 4,262</u>

See independent auditors' report.

Town of Amite City

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
For the Year Ended June 30, 2024

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Town's proportion of the net pension liability	.158%	.134%	.1259%	.1079%	.1072%	.1338%	.1245%	.1303%	.1783%	.1599%
Town's proportionate share of the net pension liability	\$ 991,227	\$ 1,047,141	\$ 1,179,794	\$ 942,641	\$ 906,411	\$ 1,215,146	\$ 1,150,947	\$ 694,410	\$ 1,823,033	\$ 1,690,099
Town's covered payroll	\$ 347,727	\$ 353,166	\$ 321,150	\$ 320,808	\$ 417,848	\$ 384,640	\$ 397,433	\$ 550,587	\$ 541,929	\$ 599,388
Town's proportionate share of the net pension liability as a percentage of its covered payroll	285.05%	296.50%	367.37%	293.83%	216.92%	315.92%	289.60%	126.12%	336.39%	281.97%
Plan fiduciary net position as a percentage of the total pension liability	75.10%	70.73%	66.04%	70.08%	71.89%	71.01%	70.94%	84.09%	70.80%	71.30%

This schedule is presented to illustrate the requirement to show information for 10 years.

Data reported is measured as of June 30, 2023, (measurement date).

See independent auditors' report.

Town of Amite City

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
For the Year Ended June 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 112,601	\$ 104,912	\$ 102,261	\$ 97,313	\$ 134,7557	\$ 125,009	\$ 134,152	\$ 163,844	\$ 164,027	\$ 169,652
Contributions in relation to the contractually required contribution	\$ 112,601	\$ 104,912	\$ 102,261	\$ 97,313	\$ 134,757	\$ 125,009	\$ 134,152	\$ 163,844	\$ 164,027	\$ 169,652
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 347,727	\$ 353,166	\$ 321,150	\$ 320,808	\$ 417,848	\$ 384,640	\$ 397,433	\$ 550,587	\$ 541,929	\$ 599,388
Contributions as a percentage of covered payroll	32.38%	29.70%	31.84%	30.33%	32.23%	32.80%	33.75%	29.75%	30.28%	28.30%

This schedule is presented to illustrate the requirement to show information for 10 years.

Data reported is measured as of June 30, 2023, (measurement date).

See independent auditors' report.

OTHER SUPPLEMENTARY INFORMATION

Town of Amite City

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Environmental Protection Agency:</u>			
Passed through Louisiana Department of Environmental Quality			
* Clean Water State Revolving Fund	66.458		<u>\$ 930,658</u>
Total U.S. Department of Environmental Protection Agency			<u>930,658</u>
<u>U.S. Department of Treasury</u>			
Passed through Louisiana Office of Community Development			
* COVID-19 State and Local Fiscal Recovery Funds	21.027		3,287,536
Passed through the Tangipahoa Parish Government			
* COVID-19 State and Local Fiscal Recovery Funds	21.027		<u>31,842</u>
Total U.S. Department of Treasury			<u>3,319,378</u>
<u>U.S. Department of Agriculture</u>			
Direct Program:			
Community Facilities Loans and Grants	10.766		<u>18,800</u>
Total U.S. Department of Agriculture			<u>18,800</u>
<u>U.S. Department of Justice</u>			
Passed through Louisiana Commission on Law Enforcement			
Edward Byrne Justice Assistance Grant	16.738		<u>7,688</u>
Total U.S. Department of Agriculture			<u>7,688</u>
Total Expenditures of Federal Awards			<u><u>\$ 4,276,524</u></u>

Note 1- This schedule of expenditures of federal awards includes the federal grant activity of Town of Amite City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2- The Town of Amite City has elected to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

*- Major program

See independent auditors' report

Town of Amite City

SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEADS
For the Year Ended June 30, 2024

Agency Head: Walter Daniels, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 30,000
Benefits – Medicare	435
Telephone	1,132
Travel	3,625
Workers Compensation Insurance	<u>128</u>
	<u>\$ 35,320</u>

Agency Head: Lendrick Francois, Elected Chief of Police

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 85,363
State Supplemental Pay	7,200
Benefits – Insurance	30,943
Benefits – Retirement (33.925% MPERS)	31,402
Benefits – Medicare	1,342
Telephone	519
Travel	913
Workers Compensation Insurance	<u>3,959</u>
	<u>\$ 161,641</u>

Town of Amite City

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
For the Year Ended June 30, 2024

	First Six Month Period Ended 12/31/2023	Second Six Month Period Ended 06/30/2024
Amounts Collected – Beginning Balance	\$ 4,986	\$ 5,020
<u>Collections:</u>		
Bond Fees	27,400	33,674
Interest Earnings on Collected Balances	237	355
Total Collections	27,637	34,029
<u>Disbursements To Governments and Nonprofits:</u>		
Crime Stoppers of Tangipahoa, Inc., criminal court costs/fees	298	204
LDH-THSCI Trust Fund	20	15
Florida Parishes Juvenile Justice, criminal court costs/fees	735	830
Louisiana Commission of Law Enforcement, criminal court costs/fees	460	520
Louisiana Supreme Court, criminal court costs/fees	72	83
Louisiana State Treasurer, criminal court costs/fees	441	497
<u>Amounts “Self-Disbursed” to Collecting Agency:</u>		
Town of Amite City, Bond Fees	780	585
Town of Amite City, Criminal Fines - Other	24,124	27,546
<u>Disbursements to Individuals/3rd Party Collection or Processing Agencies:</u>		
Bond Fee Refunds	673	860
Total Disbursements/Retainage	27,603	31,140
Amounts Collected/Not Disbursed/Retained – Ending Balance	\$ 5,020	\$ 7,909

**OTHER INDEPENDENT AUDITOR'S REPORTS
AND FINDINGS**



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

To the Honorable Mayor and
Members of the Town Council,
Town of Amite City, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America, *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, of the **TOWN OF AMITE CITY (TOWN)** as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide* and which is described in the accompanying schedule of findings and questioned costs as item 2024-001.

The Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *Louisiana Governmental Audit Guide* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Town Council and management, the Louisiana Legislative Auditor, and federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 20, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and
Members of the Town Council,
Town of Amite City, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **TOWN OF AMITE CITY, LOUISIANA** (Town) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the Town's major federal programs for the year ended June 30, 2024. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibility for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Town's federal programs.

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS), *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the Town Council, management of the Town, the Louisiana Legislative Auditor, and federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 20, 2024

TOWN OF AMITE CITY, LOUISIANA

SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2024

2023-001 Local Governmental Budget Act

This finding has been resolved.

2023-002 Sale of Municipal Property

This finding has been resolved.

TOWN OF AMITE CITY, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2024

1) Summary of Auditors' Results:

- A) The type of report issued on the financial statements: **Unmodified opinion.**
- B) Significant deficiencies in internal control that were disclosed by the audit of financial statements: **None reported.**
- C) Material weaknesses: **2024-001.**
- D) Noncompliance which is material to the financial statements: **2024-001.**
- E) The type of report issued on compliance for major programs: **Unmodified opinion.**
- F) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): **None.**

G) Identification of Major Programs:

U.S. Department of Treasury

- 1) COVID-19: Coronavirus State and Local Fiscal Recovery Funds Assistance listing #21.027

Environmental Protection Agency

- 2) Capitalization Grants for Clean Water State Revolving Funds Assistance listing #66.458

H) Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000.**

I) Auditee qualified as a low-risk auditee: **No.**

2) Findings relating to the financial statements reported in accordance with *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*: **None.**

3) FINDINGS – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

TOWN OF AMITE CITY, LOUISIANA
SUMMARY OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2024

4) FINDINGS – FINANCIAL STATEMENT AND NONCOMPLIANCE

2024-001 Internal Controls over Utility Systems

Criteria: The policies and procedures for the Town require customers with account balances that are delinquent for greater than 15 days of the bill being rendered and mailed to be disconnected.

Condition: During 2024, the Town continued to provide utility (water, sewage, and garbage) services for 8 customers with delinquent account balances greater than 15 days out of the 25 customers tested. Of the 8 customers with delinquent account balances, one of which was an elected official. Additionally, there were multiple accounts that were disconnected and allowed to reconnect services without paying prior outstanding balances in full.

Cause: The Town did not comply with the policies and procedures for disconnection related to delinquent balances.

Effect: The Town is noncompliant with its utility billing and collection policies and procedures. The Town also may not be compliant with Article VII, Section 14 of the Louisiana Constitution which restricts any political subdivision from loaning, pledging, or donating public funds or services to any person, association, or corporation, public or private.

Recommendation: The Town should adhere to the policies and procedures currently in effect for all customers of its utility system. We recommend the Town apply its policies and procedures consistently for all customers and consider implementing a payment plan system for customers with financial hardships.

Views of responsible officials: Management concurs with the recommendation above and has begun implementing procedures to ensure that cutoff are performed timely for any customer with a delinquent account balance greater than 15 days.

Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures

TOWN OF AMITE CITY, LOUISIANA

For the year ended June 30, 2024

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Mayor,
Members of the Town Council, and
Louisiana Legislative Auditor
Town of Amite City, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. The **TOWN OF AMITE CITY, LOUISIANA'S** (the Town) management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. Written Policies and Procedures:

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2. Board or Finance Committee:

- A. Obtain and inspect the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe whether the managing board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during

the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3. Bank Reconciliations:

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

4. Collections (excluding electronic fund transfers):

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees that are responsible for cash collections do not share cash drawers/registers.
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

5. Non-Payroll Disbursements (excluding credit card purchases, travel reimbursements, and petty cash purchases):

- A. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

6. Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (cards):

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]; and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased security.

7. Travel and Travel-Related Expense Reimbursement (excluding card transactions):

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy and procedures #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8. Contracts:

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented); and

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9. Payroll and Personnel:

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe that supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee and officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

10. Ethics:

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11. Debt Service:

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12. Fraud Notice:

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13. Information Technology Disaster Recovery/Business Continuity:

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active

antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
 - Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment

14. Prevention of Sexual Harassment:

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

TOWN OF AMITE CITY, LOUISIANA

SCHEDULE OF ASSOCIATED FINDINGS

For the year ended June 30, 2024

Associated Findings:

No associated findings were found as a result of applying the procedures listed above, except as follows:

1. Written Policies and Procedures:

A The Town did not have written policies and procedures established for the following categories and subcategories:

ii (2) – Purchasing

vi (1)(2)(3)(4)(5) – Contracting

vii (1)(2)(3)(4)(5) – Credit Cards

ix (2)(3)(4) – Ethics

x (1)(2)(3)(4) – Debt Services

xi (1)(2)(3)(4)(5)(6) – Information Technology Disaster Recovery/Business Continuity

xii (2)(3) – Sexual Harassment

3. Bank Reconciliations:

A(iii) Of the five bank accounts selected, two did not have documentation reflecting management has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

4. Collections:

B(i) Employees responsible for cash collections share cash drawers/registers.

6. Credit Cards:

C(1)(2)(3) Of the ten credit card transactions selected (combined transaction total for all five credit cards), one transaction, totaling \$49.02, did not contain supporting documentation that identified precisely what was purchased, written documentation of the business/public purpose, and documentation of the individuals participating in meals.

10. Ethics:

A(i) Of the five employees selected, the Town did not provide documentation demonstrating that two employees completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

13. Information Technology:

We performed the procedures and discussed the results with management.

14. Prevention of Sexual Harassment:

A Of the five employees selected, the Town did not provide documentation demonstrating that two employees completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Management's Response:

Management of the Town concurs with the exceptions identified and are in the process of addressing these matters.

We were engaged by the **TOWN** to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the **TOWN** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 20, 2024



Council

Kenyetta Richardson

District 1

Jonathon Foster

District 2

Charles "Mose" Guzzardo

District 3

Damon Ellzey

District 4

Rose Sumrall

District 5

212 E. Oak Street • Amite, LA 70422

(985) 748-8761 • (985) 284-7078

Fax: (985) 748-3729

Walter Daniels III, Mayor

December 27, 2024

Lendrick Francois

Chief of Police

Mark Kolwe

City Manager

Jewel McCoy

City Clerk

Jacob Waguespack, CPA
Faulk & Winkler, LLC
Certified Public Accountants
6811 Jefferson Highway.
Baton Rouge, La 70806

**RE: Statewide Agreed-Upon Procedures
as of and for FYE June 30, 2024,
Responses to Exceptions**

Dear Mr. Waguespack,

In your Statewide Agreed-Upon Procedures Report of the Town of Amite City (Town) for the year ended June 30, 2024, you reported several exceptions related to the Town's policies and procedures. The following contains our responses to your findings:

Section 1(A)(ii) (vi) (vii) (ix) (x) (xi) (xii)- Written Policies and Procedures

The Town acknowledges and understands the importance of written policies and procedures in regards to internal controls and compliance matters. The completion of and updating the deficient policies will be a priority of management in January 2025.

Section 3 (A) (iii)- Bank Reconciliations

You selected the month of October 2023 for your testing. In December 2023 at the conclusion of our prior year audit for FYE June 30, 2023, this issue was discussed with management. The January 2024 bank reconciliations reflect the voiding of all outstanding items that were 12 months or older.

Section 4 (B) (i)- Collections

The Town has other overriding controls in place to safeguard the cash collections of the Town. Two cash drawers are not feasible.

Statewide Agreed-Upon Procedures as of and
for FYE June 30, 2024, Responses to Exceptions-concluded

Section 6 (1)(2)(3)- Credit Cards

The \$49.02 receipt was for Walmart. A police deputy had been sent to get supplies for the police station. In the future if there is a misplaced or lost receipt, a short memo will be prepared explaining what the purchase was for and who made the purchase. The Chief and the purchaser will sign the memo and forward the memo to the accounts payable clerk at city hall.

Section 10- Ethics and Section 14-Sexual Harassment

The two individuals that did not have ethics and sexual harassment training were a high school student and a retired police officer that serves on the auxiliary police force.


The Town was approached by the Amite High School to allow one of their extended learning students to work at city hall during school hours learning basic office skills and business etiquette to help enrich them. The teacher accompanies the student and is the student's supervisor. The Town has never really viewed the student as an employee even though she is compensated for her time.

The retired police officer was called for assistance with the Tangipahoa Parish Fair in his capacity as an auxiliary police officer.

Both will have completed their training by December 31, 2024.

The HR department will be instructed that everyone receiving a payroll check must complete the annual ethics and sexual harassment training.

Respectfully submitted,


Walter Daniels, III
Mayor