

- 2) The street overlay contract with B & C Asphalt stated that the contract price could only be changed with a change order. The original signed contract was for \$220,212. The total amount paid on this contract was \$242,637. There was no change order for the \$22,425 increase in contract price. Also, there was no documentation as to who authorized the change.

Recommendation

Follow contract specifications and have written authorization in contract files for any changes on future contracts.

Response by Mayor

In the future, contract guidelines will be followed.

SURPLUS PROPERTY

- 3) Ten vehicles owned by the Town were sold at auction on June 28, 1997, without a formal declaration indicating them to be surplus.

Recommendation

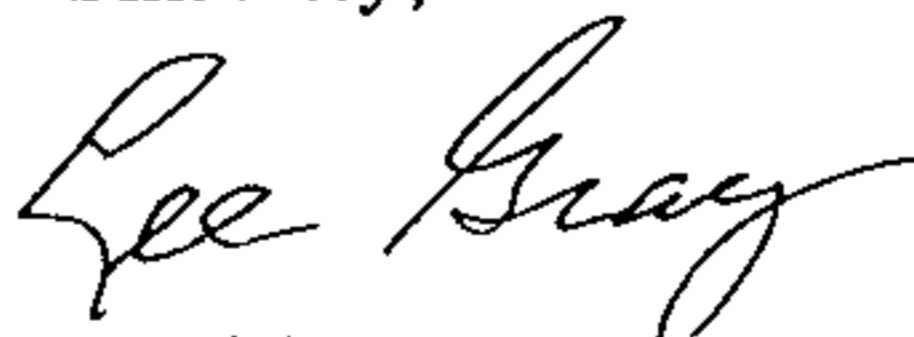
There should be a formal declaration of surplus property before any property is sold.

Response by Mayor

In the future, a formal declaration will be made before any surplus property is sold.

I thank you and your staff for the helpful cooperation I received during my audit.

Sincerely,



Certified Public Accountant

LEE GRAY  
CERTIFIED PUBLIC ACCOUNTANT  
601 COURTNEY DRIVE  
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SOCIETY OF LOUISIANA CPAS

December 11, 1997

MANAGEMENT LETTER

Honorable Reggie Goldsby, Mayor  
and the Town Council  
Town of Amite City  
212 East Oak Street  
Amite, LA 70422

Dear Mayor and Town Council:

In connection with my audit of the financial statements of the Town of Amite City as of and for the year ended June 30, 1997, I noted several matters which need to be brought to your attention. These matters and my recommendations concerning them are listed below:

STREET OVERLAY PROJECT

- 1) The Contract Acceptance has not been filed with the Clerk of Court in regards to the completed street overlay contract with B & C Asphalt. The contract was completed on September 24, 1996, and the retainage was paid on January 8, 1997.

Recommendation

Have the City Attorney draw up the necessary Contract Acceptance and file it with the Clerk of Court as soon as possible.

Response by Mayor

The Contract Acceptance is in the process of being completed and filed.

Town of Amite City  
Compliance Findings

**Finding No. 2**  
**(Repeated from prior year)**

Lawrason Act

Section 404.1 "Compensation of Municipal Officers" of the Lawrason Act requires the Town Council to fix the compensation of the mayor, council, clerk, chief of police and all other municipal officers by ordinance.

It was noted during my audit that the Town had failed to fix by ordinance the compensation of the chief of police, clerk, and street commissioner.

Recommendation

Adopt an ordinance to set the compensation of the chief of police, clerk, and street commissioner. Also, for future years follow the guidelines set forth in the Lawrason Act.


Response by Mayor

The Town will take the necessary action.

I considered these instances of noncompliance in forming my opinion on whether the general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated December 11, 1997, on those general purpose financial statements.

I noted certain immaterial instances of noncompliance that I have reported to the management of the Town of Amite City in a separate letter dated December 11, 1997.

This report is intended for the information of the Town's management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

  
Certified Public Accountant

December 11, 1997

Town of Amite City  
Compliance Findings

**Finding No. 1**  
**(Repeated from prior year)**

Budget Requirements

The Town of Amite City, Louisiana did not comply with certain budget requirements set forth in Louisiana law relating to amending the budgets. Budget procedures applicable to amending the budgets are specified in Louisiana Revised Statutes 39:1301 - 1314.

State law requires the Town to amend budgets when actual expenditures plus projected expenditures within a fund for the remainder of the year exceed budgeted expenditures by five percent or more. The Town did not amend the budgets of the following funds for which actual expenditures exceeded budgeted expenditures by five percent or more:

	Unfavorable <u>Variance</u>	<u>Percent</u>
General Fund	\$97,894	5.84%
Sales Tax Fund	\$125,023	13.52%

These budget deficiencies place the Town in noncompliance with the Louisiana Budget Law and also reduces the effectiveness of the Town's budgetary controls.

Recommendation

Budget comparisons should be closely monitored and amendments made when necessary.

Response by Mayor

The Town will compare the budget to actual expenditures on a regular basis and amend the budget when necessary.

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INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor Reggie Goldsby and  
Members of the Town Council  
Town of Amite City  
Amite, Louisiana

I have audited the general purpose financial statements of the Town of Amite City, Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated December 11, 1997.

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

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

The results of my tests disclosed the following instances of noncompliance that are required to be reported herein under *Government Auditing Standards* for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Town of Amite City's June 30, 1997, financial statements.

Town of Amite City - Page 2  
Internal Control Report

I noted certain matters involving the internal controls and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal controls that, in my judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Reportable condition noted -- The Town has a deficiency in the internal control design due to an absence of appropriate segregation of duties consistent with appropriate control objectives.

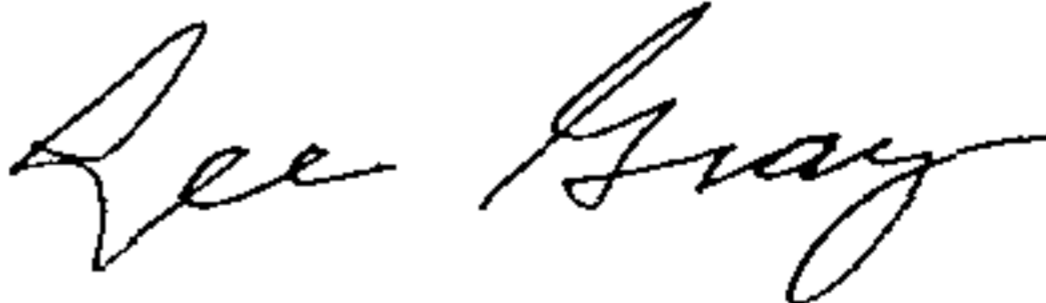
A material weakness is a reportable condition in which the design or operation of one or more of the internal controls do not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following matter involving the internal controls and its operation that I consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the general purpose financial statements of the Town of Amite City, Louisiana for the year ended June 30, 1997.

The limited size of the Town precludes an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

I also noted certain matters involving the internal controls and its operation that I have reported to the management of the Town of Amite City in a separate letter dated December 11, 1997.

This report is intended for the information of the Town's management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

  
Certified Public Accountant

December 11, 1997

**OTHER INDEPENDENT AUDITOR'S REPORTS**

Town of Amite City  
Special Revenue Fund  
HOME Program Rehabilitation Grant

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
From Inception and for the Year Ended June 30, 1997

	<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total to</u> <u>Date</u>
<u>Revenues</u>				
Intergovernmental -				
HOME Program Grant	<u>\$77,999</u>	<u>\$ -</u>	<u>\$ 77,999</u>	<u>\$ 77,999</u>
<u>Expenditures</u>				
Housing -				
Project construction	74,999	69,728	7,584	77,312
Administration	<u>3,000</u>	<u>5,598</u>	<u>42</u>	<u>5,640</u>
Total expenditures	<u>77,999</u>	<u>75,326</u>	<u>7,626</u>	<u>82,952</u>
Excess (deficiency) of				
revenues over expenditures	<u>\$ -</u>	<u>\$(75,326)</u>	70,373	<u>\$ (4,953)</u>
<u>Other Financing Sources</u>				
Operating transfers in:				
General Fund			<u>4,953</u>	<u>4,953</u>
Excess of revenues and other				
financing sources over expenditures			75,326	<u>\$ -</u>
Fund balance (deficit), beginning			<u>(75,326)</u>	
Fund balance (deficit), ending			<u>\$ -</u>	



Town of Amite City  
Special Revenue Fund  
Capital Improvements Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1997  
With Comparative Actual Amounts for Year Ended June 30, 1996

	1997		Variance Favorable (Unfavorable)	1996 Actual
	<u>Budget</u>	<u>Actual</u>		
<u>Revenues</u>				
Interest	\$ 3,000	\$ 1,092	\$(1,908)	\$ 2,579
<u>Expenditures</u>				
Public Safety - streets	<u>240,000</u>	<u>247,345</u>	<u>(7,345)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(237,000)</u>	<u>(246,253)</u>	<u>(9,253)</u>	<u>2,579</u>
<u>Other Financing Sources</u>				
Operating transfers in:				
General Fund	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>61,500</u>
Total other financing sources	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>61,500</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(157,000)	(166,253)	(9,253)	64,079
Fund balance, beginning	<u>175,860</u>	<u>175,860</u>	<u>-</u>	<u>111,781</u>
Fund balance, ending	<u>\$ 18,860</u>	<u>\$ 9,607</u>	<u>\$(9,253)</u>	<u>\$175,860</u>

Town of Amite City  
Special Revenue Fund  
Economic Development Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1997  
With Comparative Actual Amounts for Year Ended June 30, 1996

	<u>1997</u>		Variance	
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>1996</u> <u>Actual</u>
<u>Revenues</u>				
Interest	\$ 2,000	\$ 2,045	\$ 45	\$ 2,453
Total revenues	<u>2,000</u>	<u>2,045</u>	<u>45</u>	<u>2,453</u>
<u>Expenditures</u>				
Chamber of Commerce	4,800	4,800	-	4,800
EDF dues	3,400	2,695	705	3,000
Main Street Program	10,000	7,607	2,393	5
Industrial Park	-	<u>2,331</u>	<u>(2,331)</u>	<u>102,921</u>
Total expenditures	<u>18,200</u>	<u>17,433</u>	<u>767</u>	<u>110,726</u>
Excess (deficiency) of revenues over expenditures	<u>(16,200)</u>	<u>(15,388)</u>	<u>812</u>	<u>(108,273)</u>
<u>Other Financing Sources</u>				
Operating transfers in:				
Sales Tax Fund	26,500	27,872	1,372	26,387
General Fund	<u>18,900</u>	<u>18,575</u>	<u>(325)</u>	<u>17,425</u>
Total other financing sources	<u>45,400</u>	<u>46,447</u>	<u>1,047</u>	<u>43,812</u>
Excess (deficiency) of revenues and other financing sources over expenditures	29,200	31,059	1,859	(64,461)
Fund balance, beginning	<u>69,749</u>	<u>69,749</u>	<u>-</u>	<u>134,210</u>
Fund balance, ending	<u>\$ 98,949</u>	<u>\$100,808</u>	<u>\$ 1,859</u>	<u>\$ 69,749</u>

Town of Amite City  
Special Revenue Fund  
Sales Tax Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1997  
With Comparative Actual Amounts for Year Ended June 30, 1996

	1997		Variance	
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>1996</u> <u>Actual</u>
<u>Revenues</u>				
Taxes - Sales taxes	\$1,060,000	\$1,122,190	\$ 62,190	\$1,062,390
Interest	<u>4,000</u>	<u>2,357</u>	<u>(1,643)</u>	<u>3,175</u>
Total revenues	<u>1,064,000</u>	<u>1,124,547</u>	<u>60,547</u>	<u>1,065,565</u>
<u>Expenditures</u>				
General government -				
Collection fees	6,906	7,294	(388)	6,905
Public safety -				
Fire Protection District No. 1	<u>131,118</u>	<u>139,381</u>	<u>(8,263)</u>	<u>131,936</u>
Total expenditures	<u>138,024</u>	<u>146,675</u>	<u>(8,651)</u>	<u>138,841</u>
Excess of revenues over expenditures	<u>925,976</u>	<u>977,872</u>	<u>51,896</u>	<u>926,724</u>
<u>Other Financing (Uses)</u>				
Operating transfers to:				
General Fund	(760,000)	(875,000)	(115,000)	(885,000)
Economic Development Fund	(26,500)	(27,872)	(1,372)	(26,387)
Water Works Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,000)</u>
Total other financing uses	<u>(786,500)</u>	<u>(902,872)</u>	<u>(116,372)</u>	<u>(946,387)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	139,476	75,000	(64,476)	(19,663)
Fund balance, beginning	<u>168,255</u>	<u>168,255</u>	<u>-</u>	<u>187,918</u>
Fund balance, ending	<u>\$ 307,731</u>	<u>\$ 243,255</u>	<u>\$ (64,476)</u>	<u>\$ 168,255</u>

Town of Amite City  
Special Revenue Funds

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 1997

With Comparative Totals for Year Ended June 30, 1996

	<u>Sales Tax</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>HOME Rehab Grant</u>	<u>Totals</u>
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>	<u>1996</u>
<u>REVENUES</u>					
Taxes	\$1,122,190	\$ -	\$ -	\$ -	\$1,122,190
Intergovernmental	-	-	-	77,999	344,138
Interest	2,357	2,045	1,092	-	8,207
Total revenues	<u>1,124,547</u>	<u>2,045</u>	<u>1,092</u>	<u>77,999</u>	<u>1,414,735</u>
<u>Expenditures</u>					
General government	7,294	-	-	-	6,905
Public safety - fire	139,381	-	-	-	131,936
Public safety - streets	-	-	247,345	-	344,138
Housing	-	-	-	7,626	7,538
Economic development	-	17,433	-	-	110,726
Total expenditures	<u>146,675</u>	<u>17,433</u>	<u>247,345</u>	<u>7,626</u>	<u>601,243</u>
Excess (deficiency) of revenues over expenditures	977,872	(15,388)	(246,253)	70,373	813,492
<u>Other Financing Sources (Uses)</u>					
Operating transfers in	-	46,447	80,000	4,953	105,312
Operating transfers out	(902,872)	-	-	-	(946,387)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	75,000	31,059	(166,253)	75,326	(27,583)
Fund balances, beginning	<u>168,255</u>	<u>69,749</u>	<u>175,860</u>	<u>(75,326)</u>	<u>366,121</u>
Fund balances, ending	<u>\$ 243,255</u>	<u>\$100,808</u>	<u>\$ 9,607</u>	<u>\$ -</u>	<u>\$ 338,538</u>

Town of Amite City  
Special Revenue Funds

COMBINING BALANCE SHEET

June 30, 1997

With Comparative Totals for June 30, 1996

	<u>Sales Tax</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>Totals</u>
	<u>1997</u>			<u>1996</u>
<u>ASSETS</u>				
Cash	\$161,566	\$102,037	\$9,607	\$337,438
Sales tax receivable	96,105	-	-	89,058
Intergovernmental receivable	-	-	-	37,148
Due from other funds -				
Sales Tax Fund	<u>          -</u>	<u>2,403</u>	<u>          -</u>	<u>2,226</u>
Total Assets	<u>\$257,671</u>	<u>\$104,440</u>	<u>\$9,607</u>	<u>\$465,870</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 2,632	\$ -	\$ 37,548
Unearned grant revenues	-	-	-	53,395
Due to other governmental units	12,013	-	-	11,132
Due to General Fund	-	1,000	-	23,031
Due to Economic Development Fund	<u>2,403</u>	<u>          -</u>	<u>          -</u>	<u>2,226</u>
Total Liabilities	<u>14,416</u>	<u>3,632</u>	<u>          -</u>	<u>127,332</u>
<u>Fund Balances</u>				
Unreserved				
- designated	-	28,650	-	10,075
- undesignated	<u>243,255</u>	<u>72,158</u>	<u>9,607</u>	<u>328,463</u>
Total Fund Balances	<u>243,255</u>	<u>100,808</u>	<u>9,607</u>	<u>338,538</u>
Total Liabilities and Fund Balances	<u>\$257,671</u>	<u>\$104,440</u>	<u>\$9,607</u>	<u>\$465,870</u>

## SPECIAL REVENUE FUNDS

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Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

---

**Sales Tax Fund** - This fund is used to account for the receipt and use of proceeds of the Town's 2% sales and use tax.

The Mayor and Board of Aldermen have dedicated the sales and use tax as follows:

1. The Town Council has dedicated 2.5% of sales and use tax collections to an economic development fund to be used at the discretion of the Town Council.
2. The Town Council has dedicated 12.5% of sales and use tax collections to Tangipahoa Parish Fire Protection District No 1.

**Economic Development Fund** - This fund is used to account for the receipt and expenditure of funds dedicated to economic development.

**Capital Improvements Funds** - This fund is used to account for the receipt and expenditure of funds dedicated to capital improvements.

**HOME Program Rehabilitation Grant Fund** - This fund is used to account for a Small Cities Health and Safety Rehabilitation Grant (HOME Program) administered by the Louisiana Housing Finance Agency that is funding a rehabilitation project for substandard housing in the government's jurisdiction. This project was completed during the current fiscal year and this fund has been terminated as of June 30, 1997.

Town of Amite City  
General Fund

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended June 30, 1997  
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997		Variance Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
<u>Parks and Recreation</u>				
Salaries	\$31,500	\$22,980	\$ 8,520	\$ 27,844
Equipment fuel	1,200	1,223	(23)	888
Repairs and supplies	10,000	11,540	(1,540)	20,415
Utilities	6,000	3,111	2,889	6,190
Equipment acquisitions	1,000	1,126	(126)	-
Police contract service	500	385	115	100
Land acquisition	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Total Parks and Recreation	<u>\$75,200</u>	<u>\$40,365</u>	<u>\$34,835</u>	<u>\$ 55,437</u>
<u>Intergovernmental (DMV)</u>				
Maintenance and utilities	\$13,000	\$ 6,318	\$ 6,682	\$ 12,231
Total Intergovernmental (DMV)	<u>\$13,000</u>	<u>\$ 6,318</u>	<u>\$ 6,682</u>	<u>\$ 12,231</u>
<u>Miscellaneous Programs</u>				
Parish service officer	\$ 800	\$ 684	\$ 116	\$ 798
Coroner	5,000	2,516	2,484	4,317
Senior citizens	5,000	7,288	(2,288)	4,308
Planning and zoning	400	135	265	217
Animal shelter	9,300	9,300	-	-
Tree program	5,000	-	5,000	-
Other miscellaneous programs	<u>-</u>	<u>2,834</u>	<u>(2,834)</u>	<u>-</u>
Total Miscellaneous Programs	<u>\$25,500</u>	<u>\$22,757</u>	<u>\$ 2,743</u>	<u>\$ 9,640</u>

(Concluded)

Town of Amite City  
General Fund

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended June 30, 1997  
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997		Variance Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
<u>Public Safety - Fire</u>				
Salaries	\$ 12,359	\$ 12,165	\$ 194	\$ 11,700
On behalf payments by state	-	3,336	(3,336)	-
Total Public Safety - Fire	<u>\$ 12,359</u>	<u>\$ 15,501</u>	<u>\$ (3,142)</u>	<u>\$ 11,700</u>
<u>Streets</u>				
Salaries	\$194,000	\$171,667	\$ 22,333	\$171,500
Street and traffic lights	60,000	60,545	(545)	65,312
Equipment fuel	12,000	8,864	3,136	12,090
Equipment repairs	36,000	31,305	4,695	39,074
Landfill	22,000	26,606	(4,606)	22,176
Materials and supplies	80,000	94,934	(14,934)	90,363
Utilities	5,500	5,335	165	5,644
Equipment acquisitions	28,000	26,156	1,844	14,663
Total Street	<u>\$437,500</u>	<u>\$425,412</u>	<u>\$ 12,088</u>	<u>\$420,822</u>
<u>Sanitation</u>				
Salaries	\$ 16,170	\$ 15,929	\$ 241	\$ 15,396
Equipment repairs and supplies	30,000	52,893	(22,893)	39,693
Fuel	5,500	7,614	(2,114)	5,247
Landfill	50,000	49,776	224	47,677
Refund prior year garbage fees	-	10,758	(10,758)	-
Equipment acquisitions	30,500	30,026	474	-
Total Sanitation	<u>\$132,170</u>	<u>\$166,996</u>	<u>\$(34,826)</u>	<u>\$108,013</u>
<u>Community Center</u>				
Utilities	\$ 9,000	\$ 9,338	\$ (338)	\$ 9,875
Repairs and supplies	4,000	9,387	(5,387)	4,328
Equipment acquisitions	-	262	(262)	550
Total Community Center	<u>\$ 13,000</u>	<u>\$ 18,987</u>	<u>\$ (5,987)</u>	<u>\$ 14,753</u>
<u>Cemetery</u>				
Salaries	\$ -	\$ 1,974	\$ (1,974)	\$ -
Contract services	16,000	15,750	250	15,750
Materials and supplies	10,000	10,276	(276)	9,918
Miscellaneous	-	-	-	24
Utilities	500	119	381	119
Total Cemetery	<u>\$ 26,500</u>	<u>\$ 28,119</u>	<u>\$ (1,619)</u>	<u>\$ 25,811</u>

(Continued)



Town of Amite City  
General Fund

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended June 30, 1997  
With Comparative Actual Amounts for Year Ended June 30, 1996

	1997		Variance Favorable (Unfavorable)	1996 Actual
	<u>Budget</u>	<u>Actual</u>		
<u>General Government</u>				
Salaries - Mayor and Council	\$ 18,900	\$ 18,575	\$ 325	\$ 17,425
Salaries - Clerical	49,260	48,988	272	46,000
Retirement contributions	10,000	10,379	(379)	9,032
Employee benefits	130,000	119,838	10,162	119,725
Payroll taxes	50,000	46,330	3,670	45,603
Attorney	3,500	8,830	(5,330)	2,363
Accounting services	4,500	5,280	(780)	3,730
Audit	20,500	20,500	-	18,500
Engineer fees	3,000	4,032	(1,032)	3,211
Insurance (all funds)	125,000	142,351	(17,351)	179,207
Office expense	10,000	15,740	(5,740)	13,460
Official journal	2,500	3,317	(817)	3,134
City Hall utilities	6,000	6,795	(795)	6,096
City Hall telephones	3,500	3,266	234	3,289
City Hall maintenance	8,000	1,574	6,426	4,600
Dues	2,000	2,823	(823)	2,689
Assessor and tax roll	2,400	2,398	2	2,308
Public relations	200	-	200	-
Convention expense	3,000	3,696	(696)	2,857
Medical expense	300	172	128	235
Miscellaneous	6,000	5,157	843	3,658
Equipment acquisitions	3,000	7,762	(4,762)	3,223
Contract services	1,000	352	648	892
<u>Total General Government</u>	<u>\$462,560</u>	<u>\$478,155</u>	<u>\$(15,595)</u>	<u>\$491,237</u>
 <u>Public Safety - Police</u>				
Salaries	\$265,650	\$298,341	\$(32,691)	\$280,408
On behalf payments by state	-	37,261	(37,261)	-
Retirement contributions	13,000	10,977	2,023	12,126
Auto fuel	12,000	14,838	(2,838)	13,454
Auto repairs	13,000	19,660	(6,660)	13,124
Uniforms	7,000	7,773	(773)	7,132
Repairs and maintenance	7,600	7,766	(166)	13,862
Prisoner expense	8,000	14,572	(6,572)	8,649
Office expense	15,000	18,121	(3,121)	16,137
Schools - conventions	1,500	1,096	404	1,500
Utilities	13,000	13,450	(450)	14,025
Equipment acquisitions	23,500	23,840	(340)	33,600
<u>Total Public Safety - Police</u>	<u>\$379,250</u>	<u>\$467,695</u>	<u>\$(88,445)</u>	<u>\$414,017</u>

(Continued)

Town of Amite City  
General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1997  
With Comparative Actual Amounts for Year Ended June 30, 1996

	<u>1997</u>		Variance	
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>1996</u> <u>Actual</u>
Excess (deficiency) of revenues over expenditures	<u>\$(808,134)</u>	<u>\$(815,242)</u>	<u>\$ (7,108)</u>	<u>\$(777,035)</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in:				
Sales Tax Fund	760,000	875,000	115,000	885,000
Operating transfers out:				
Housing Grant	-	(4,953)	(4,953)	-
Economic Development Fund	(18,900)	(18,575)	325	(17,425)
Capital Improvement Fund	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>	<u>(61,500)</u>
Total other financing sources (uses)	<u>661,100</u>	<u>771,472</u>	<u>110,372</u>	<u>806,075</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(147,034)	(43,770)	103,264	29,040
Fund balance, beginning	<u>185,695</u>	<u>185,695</u>	<u>-</u>	<u>156,655</u>
Fund balance, ending	<u>\$ 38,661</u>	<u>\$ 141,925</u>	<u>\$103,264</u>	<u>\$ 185,695</u>

(Concluded)

Town of Amite City  
General Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1997

With Comparative Actual Amounts for Year Ended June 30, 1996

	<u>1997</u>		Variance Favorable (Unfavorable)	1996 Actual
	<u>Budget</u>	<u>Actual</u>		
<u>Revenues</u>				
Taxes -				
Ad valorem	\$ 75,000	\$ 82,264	\$ 7,264	\$ 76,082
Public utilities franchise	85,000	87,538	2,538	87,583
Licenses and permits -				
Occupational licenses	185,000	175,803	(9,197)	185,091
Chain store licenses	3,000	2,745	(255)	2,867
Permits	2,500	7,706	5,206	2,689
Intergovernmental -				
Tobacco taxes	20,000	21,517	1,517	21,517
Beer taxes	15,000	12,083	(2,917)	12,901
Parish grant - police	-	11,461	11,461	9,727
State grant - police	1,000	1,017	17	1,440
State grant - tree	5,000	-	(5,000)	-
Federal grant	-	43,619	43,619	7,964
Video poker	25,000	28,456	3,456	27,208
Department of Motor Vehicles	18,405	17,546	(859)	17,076
Fines	32,000	32,251	251	31,296
Charges for services -				
Garbage fees	250,000	251,230	1,230	249,137
Prisoner housing fees	20,000	6,102	(13,898)	17,462
On behalf payments by state	-	40,597	40,597	-
Miscellaneous revenues -				
Cemetery - sale of lots	20,000	12,491	(7,509)	21,242
Rentals	10,000	10,961	961	12,110
Interest	1,000	687	(313)	1,319
Miscellaneous	1,000	8,989	7,989	1,915
Total revenues	<u>768,905</u>	<u>855,063</u>	<u>86,158</u>	<u>786,626</u>
<u>Expenditures</u>				
Current -				
General government	462,560	478,155	(15,595)	491,237
Public safety - police	379,250	467,695	(88,445)	414,017
Public safety - fire	12,359	15,501	(3,142)	11,700
Streets	437,500	425,412	12,088	420,822
Sanitation	132,170	166,996	(34,826)	108,013
Community Center	13,000	18,987	(5,987)	14,753
Cemetery	26,500	28,119	(1,619)	25,811
Parks and recreation	75,200	40,365	34,835	55,437
Intergovernmental (DMV)	13,000	6,318	6,682	12,231
Miscellaneous	25,500	22,757	2,743	9,640
Total expenditures	<u>1,577,039</u>	<u>1,670,305</u>	<u>(93,266)</u>	<u>1,563,661</u>

(Continued)

## General Fund

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The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

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**SUPPLEMENTAL INFORMATION SCHEDULES**

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

Claims and litigation costs of \$1,765 were paid in the current year and recorded as a current-year expenditure in the General Fund.

(19) COMPENSATION PAID MAYOR, CHIEF OF POLICE,  
AND TOWN COUNCIL

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

R.E. Goldsby, M.D., Mayor	\$ 5,400
Parker Gabriel, Jr., Chief of Police	30,454
<u>Town Council</u>	
Buddy Bel	2,700
Walter Daniels, III	1,350
Glyniss V. Gordon	1,100
Samuel C. Hyde	2,700
Lee Schilling, Jr.	2,625
Jonathon Foster	1,350
Thaddeus Richardson	1,350
	<u>\$49,029</u>

(20) ON BEHALF PAYMENTS BY STATE OF LOUISIANA

For the year ended June 30, 1997, the State of Louisiana made on behalf payments in the form of supplemental pay to the Town of Amite's policemen and fireman. In accordance with GASB 24, the Town has recorded \$40,597 of on behalf payments as revenue and as expense in the General Fund.

(21) SUBSEQUENT EVENTS

Subsequent to June 30, 1997, the following events occurred:

- a) The Town appropriated \$30,000 for a 60 foot gravel road at the Industrial Park.
- b) The Town entered into a cemetery maintenance contract with Nick Mason for \$35,750 per year.
- c) The Town appropriated \$15,000 to purchase a right-of-way from the McClendon Estate.

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

Suit # 9600315, Patricia Morris vs. Town of Amite. This is a petition for damages filed January 25, 1996. This case is currently on appeal. The Town is being defended by its insurer in this matter.

Suit # 9601224, Thomas J. Cuti vs. Town of Amite. This is a petition for damages filed April 30, 1996. The Town is being defended by its insurer in this matter.

Suit # 9700898, Wardell Dyson, Jr. individually and on behalf of his minor child, vs. Town of Amite, Amite Police Department, Chief of Police, and Officer Michael Foster. This is a petition for damages. The Town is being defended by its insurer in this matter.

Suit # 9701489, Josephine Biamonte vs. Town of Amite. This is a petition for damages. The Town is being defended by its insurer in this matter.

Suit # 9702462, Mildred Landrew vs. Town of Amite. This is a petition for damages. The Town is being defended by its insurer in this matter.

Suit # 9700942, Amite Central Railroad Properties, L.L.C. vs. Town of Amite cumulated with Town of Amite vs. Amite Central Properties, L.L.C. petition for expropriation. The suit by Amite Central is for declaratory judgment and for damages and was also filed as a reconventional demand in our suit for expropriation. The Town is being defended by its insurers.

Suit # 9701021, Dr. Nathan Forrest, et al vs. Tangipahoa Parish Council, et al which is a Petition for an Injunction involving the parish landfill. The Town is being defended by the City Attorney, Charles M. Reid.

Suit # 9703017, Keisley T. Crumedy vs. the Town of Amite et al. This is a petition for damages against the Town of Amite, the State of Louisiana and the Parish of Tangipahoa for an accident which occurred on I-55 at it's intersection with La. Hwy. 16. The Town is being defended by its insurer.

Suit # 9703232, Jerry Harrell vs. the Town of Amite. This is a petition for damages arising out of a person exiting a vehicle and allegedly falling in a hole on Myrtle Street in Amite. The Town is being defended by its insurer.

Suit # 9700014, Oliver Jackson vs. the City of Amite, United States District Court, Eastern District of Louisiana filed January 3, 1997. This is a petition for damages against the Town of Amite for illegal termination and damages. The Town is being defended by its insurer.

Accrual of the loss contingencies listed above has not been recorded in the financial statements as responsibility has not been determined and the possible loss or range of loss for each legal action cannot be reasonably estimated.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

(16) INTERFUND RECEIVABLES, PAYABLES

Amounts due to or from other funds at June 30, 1997, consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$82,642	\$ -
Special Revenue Funds -		
Sales Tax Fund	-	2,403
Economic Development Fund	2,403	1,000
Enterprise Fund -		
Water and Sewer Fund	<u>-</u>	<u>81,642</u>
Total	<u>\$85,045</u>	<u>\$85,045</u>

(17) DESIGNATED FUND BALANCE

The Mayor and the Town Council contribute one-half of their salaries to be used exclusively for economic development.

These funds are accounted for in the Economic Development Special Revenue Fund as designated funds.

(18) LITIGATION AND CLAIMS

The following legal actions are currently pending against the Town of Amite City:

Suit # 9302528, Thaddeus Richardson vs. Town of Amite.

Suit # 9403447, Kelly Giangrosso vs. Town of Amite, Parish of Tangipahoa, and State of Louisiana, Department of Transportation. This is a Petition for damages which was filed November 1994 alleging that in November 1993 petitioner was injured when walking on La. Hwy. 16 also known as West Oak Street at the intersection of North First Street. The Town's insurer is defending the Town in this matter.

Suit # 9503426, Alma Vernon vs. Town of Amite and Tangipahoa Parish School Board. This is a Petition for damages filed November 1995 wherein plaintiff claims that she was injured while walking on the sidewalk near the School Board Office at the Courthouse Square in Amite. The Town is being defended by its insurer in this matter.



NOTES TO FINANCIAL STATEMENTS

June 30, 1997

(14) NOTES PAYABLE - PROPRIETARY FUND

At June 30, 1997, the Town was indebted to Deposit Guaranty Bank for the following loan. This loan was obtained in connection with a line of credit, up to \$500,000, authorized by the Louisiana Bond Commission. The loans are approved by the bank on a per request basis and carry various interest rates. Repayment of such debt is payable from the excess of annual revenues accruing to the Town for a period of ten years.

The balance of the installment loan at June 30, 1997, is as follows:

Note for sewer treatment plant, dated August 20, 1989,  
interest rate 7.00%, 106 monthly installments of  
\$1,794.32 (principal and interest) beginning  
September 20, 1989, with a final payment of  
the balance due of \$969.23 on July 20, 1998. \$21,551

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

Proceeds of a 2% sales and use tax levied by the Town (1996 collections \$1,062,390; 1997 \$1,122,190) are dedicated as follows:

1. 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.
2. The Town Council has dedicated 12.5% of sales and use tax collections to the Tangipahoa Parish Fire Protection District No. 1.

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 of Amite City pays to the CCC the following:

1. A monthly charge of .65 percent per month of amounts collected.
2. Out-of-parish travel expenses spent for collection of the tax.
3. All legal fees incurred should litigation become necessary in the collection of applicable taxes.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Town (without being restricted to the provisions of benefits under the plans), subject only to the claims of the Town's general creditors. Participants' rights under the plans are equal to those of general creditors of the Town in an amount equal to the fair market value of the deferred account for each participant. The Town believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

As part of its fiduciary role, the Town has an obligation of due care in selecting the third-party administrator. In the opinion of the Town's legal counsel, the Town has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

At June 30, 1997, the Town has assets of \$185,989 in the Jackson National plan, and \$120,814 in the Delaware Group plan. The amounts of total assets of either plan were not available.

(11) RETIREMENT SYSTEM

Employees of the Town 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, 1997, were \$82,670 of which \$41,335 was contributed by the Town.

(12) COMPENSATED ABSENCES

At June 30, 1997, employees of the primary government have accumulated and vested \$30,534 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$27,282 is recorded within general long-term obligations account group. The leave liability for employees of the Enterprise Fund, for \$3,252, is accounted for within the fund.

(13) CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of changes in general long-term debt (compensated absences) of the Town for the year ended June 30, 1997:

Compensated Absences -	
Accumulated and vested at July 1, 1996	\$24,386
Net changes for the year	<u>2,896</u>
Accumulated and vested at June 30, 1997	<u>\$27,282</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 60, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

*Funding Policy.* Members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of Amite City is required at an actuarially determined rate. The current rate is 3.0 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Amite City are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Amite City's contributions to the System under Plan B for the years ending June 30, 1997, 1996, and 1995, were \$0, \$0, and \$0, respectively, equal to the required contributions for each year.

(10) DEFERRED COMPENSATION PLAN

The Town of Amite offers its employees two deferred compensation plans created in accordance with Internal Revenue Code 457. One plan is with Jackson National Life Insurance Companies and is available to all Town employees and permits them to defer a portion of their salaries until future years. The Town matches the employees' contribution up to 5% of the eligible employees' salaries. The other plan is with the Delaware Group and permits participants to defer a portion of their salaries until future years. At present, the Mayor is the only participant in the Delaware Group plan no portion of this deferred compensation is paid by the Town.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

(9) PENSION PLANS

Some employees of the Town of Amite City are members of the following statewide retirement systems: Municipal Police Employees Retirement System of Louisiana or Municipal Employees Retirement System of Louisiana. These systems are multiple-employer (cost-sharing), public employee retirement systems (PERS), controlled and administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Police Employees' Retirement System of Louisiana (System):

*Plan Description.* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 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 statement and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

*Funding Policy.* Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Amite City is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Amite City are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Amite City contributions to the System for the years ending June 30, 1997, 1996, and 1995, were \$10,977, \$12,126, and \$9,793, respectively, equal to the required contributions for each year.

B. Municipal Employees' Retirement System of Louisiana (System):

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Town are members of Plan B. The Town ceased participation in the plan in December of 1987. No contributions have been made to the plan by the Town or its employees since that time, although several employees elected to have their contributions remain in the plan.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

(8) FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1997</u>
Land	\$ 253,640	\$ 32,500	\$ -	\$ 286,140
Buildings	524,986	177,580	-	702,566
Improvements other than buildings	269,861	-	-	269,861
Equipment	<u>505,015</u>	<u>81,935</u>	<u>(69,358)</u>	<u>517,592</u>
Total	<u>\$1,553,502</u>	<u>\$292,015</u>	<u>\$(69,358)</u>	<u>\$1,776,159</u>

At June 30, 1997, the investment in general fixed assets is from:

Donations	\$ 222,420
General fund revenues	634,054
Sales tax revenues	559,517
Federal shared revenues	88,976
Federal grants	187,914
State grants	<u>83,278</u>
Total	<u>\$1,776,159</u>

A summary of proprietary property, plant, and equipment follows:

Land - Water	\$ 3,000
Land - Sewer	25,957
Wells	119,000
Storage tanks	211,899
Water lines and meters	471,576
Sewerage system	789,832
Equipment	<u>78,204</u>
Sub-total	1,699,468
Less: accumulated depreciation	<u>(708,700)</u>
Net	<u>\$ 990,768</u>

During the fiscal year, the proprietary fund had additions of \$4,916 and deletions of \$830 to property, plant, and equipment.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

(5) RECEIVABLES

Receivables at June 30, 1997, consist of the following:

<u>Class of Receivables</u>	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Total</u>
Taxes -				
Franchise	\$16,882	\$ -	\$ -	\$ 16,882
Sales	-	96,105	-	96,105
Accounts -				
Prisoner housing fees	3,544	-	-	3,544
Garbage	24,358	-	-	24,358
Water and Sewer	-	-	28,820	28,820
Less: Allowance for Uncollectibles	(889)	-	(1,280)	(2,169)
Other	1,428	-	-	1,428
Intergovernmental -				
Beer taxes	3,000	-	-	3,000
Tobacco taxes	5,379	-	-	5,379
Video poker	6,195	-	-	6,195
State grant	1,017	-	-	1,017
Dept. of Motor Vehicles	1,622	-	-	1,622
Federal grants	13,320	-	-	13,320
Totals	<u>\$75,856</u>	<u>\$96,105</u>	<u>\$27,540</u>	<u>\$199,501</u>

An allowance account for taxes receivable is not considered necessary.

(6) AD VALOREM TAXES

For the year ended June 30, 1997, taxes of 6.11 mills were levied on property with assessed valuations totaling \$12,632,325.

Total taxes levied were \$77,184. Taxes receivable at June 30, 1997, were nil.

(7) RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at June 30:

	<u>1997</u>	<u>1996</u>
Customers' deposits - cash	<u>\$64,817</u>	<u>\$59,462</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

(3) EXPENDITURES - ACTUAL AND BUDGET

The following individual funds have actual expenditures and other uses over budgeted expenditures and other uses for the year ended June 30, 1997:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percent</u>
General Fund	\$1,675,939	\$1,773,833	\$97,894	5.84%
Sales Tax Special Revenue Fund	\$924,524	\$1,049,547	\$125,023	13.52%

The Louisiana Municipal Budget Law requires a local government to amend its operating budget when the total revenue and other sources fail to meet total budgeted revenues and other sources by 5% or more. Also, amendment is required when total actual expenditures and other uses exceed the total budgeted expenditures and other uses by 5% or more. The Town failed to amend the budgets for the general fund and sales tax fund for the fiscal year ended June 30, 1997.

The over expenditures of both funds were funded by available fund balances.

(4) CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (book balances) at June 30, 1997:

Petty cash	\$ 200
Interest-bearing demand deposits	319,375
Time deposits	<u>42,840</u>
Total	<u>\$362,415</u>

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

At June 30, 1997, the Town has \$525,248 in deposits (collected bank balances). These deposits are secured from risk by \$172,021 of federal deposit insurance and \$353,227 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

**P. SALES TAXES**

The Town assesses a 2% sales and use tax. The Mayor and Board of Aldermen have dedicated the sales and use tax as follows:

1. The Town Council has dedicated 2.5% of sales and use tax collections to an economic development fund to be used at the discretion of the Town Council.
2. The Town Council has dedicated 12.5% of sales and use tax collections to Tangipahoa Parish Fire Protection District No 1.

**Q. COMPARATIVE DATA**

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

**R. TOTAL COLUMNS ON COMBINED STATEMENTS**

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

(2) **FUND DEFICITS**

The following individual fund had a deficit in retained earnings at June 30, 1997:

<u>Fund</u>	<u>Deficit Amount</u>
Water and Sewer Enterprise Fund	
Total	<u>\$126,150</u>
	<u>\$126,150</u>



NOTES TO FINANCIAL STATEMENTS

June 30, 1997

**L. LONG-TERM OBLIGATIONS**

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

**M. FUND EQUITY**

**Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets.

**Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

**N. 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. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**O. 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 Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Tangipahoa Parish.

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of the accumulated depreciation. Interest costs incurred during construction, if any, are capitalized. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method over the following useful lives:

Water and Sewer Utility -	
Wells	25 years
Storage tanks	40 years
Lines and meters	40 years
Sewerage system	40 years
Equipment	Various

**K. COMPENSATED ABSENCES**

The Town has the following policy relating to vacation (annual) and sick leave:

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

- a. Less than three years of service, at the rate of one-half day of annual leave and one day of sick leave per month.
- b. Three years but less than ten years of service, at the rate of three-fourth days annual leave and one day of sick leave per month.
- c. Ten years or more of service at the rate of one day annual leave and one day of sick leave per month.

Accrued unused vacation (annual) leave earned by an employee shall be carried forward to the succeeding calendar year but not in excess of thirty days. Accrued unused sick leave earned by an employee shall be carried forward to the succeeding calendar year without limitation.

Upon termination, employees are eligible to receive pay for all leave time accrued. Computation of vacation time will be made on a pro rata basis.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, 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 recorded in the general long-term obligations account group. Leave privileges associated with employees of the proprietary fund are recorded as a fund liability and operating expense. No liability is reported for unpaid accumulated sick leave.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

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 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, except for investments in the deferred compensation agency fund, which are reported at market.

**G. RECEIVABLES**

Receivables are shown net of an allowance for uncollectibles. Uncollectible amounts due for water and sewer 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 and garbage charges are recorded as a reduction of current revenues.

**H. 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.

**I. RESTRICTED ASSETS**

Restricted assets consist of cash resources of the enterprise fund set aside for repayment of customer deposits.

**J. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

**Proprietary Fund**

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

**Fiduciary Fund**

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

**D. BUDGETS**

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 department level for each fund.

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

**E. ENCUMBRANCES**

The Town does not use encumbrance accounting.

**F. CASH AND CASH EQUIVALENTS  
AND INVESTMENTS**

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

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

**Fiduciary Funds**

Fiduciary funds are used to account for assets held on behalf of others. Fiduciary funds include:

1. Agency funds -- account for assets that the municipality holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**C. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

**Governmental Funds**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. *The modified accrual basis of accounting is used by all governmental funds.* The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

*Revenues are recognized, under the modified accrual basis of accounting, when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.*

Property taxes and interest are susceptible to accrual. Sales taxes collected and held by the parish Central Collection Commission at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

**Expenditures**

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgements which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

**B. FUND ACCOUNTING**

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

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

Funds of the municipality are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Funds**

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

1. General Fund -- the general operating fund of the Town and accounts for all financial resources except those required to be accounted for in other funds.
2. Special revenue funds -- account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**Proprietary Funds**

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

1. Enterprise funds -- account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided 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.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

**INTRODUCTION**

The Town of Amite City, Louisiana 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 Board of Aldermen.

The accounting and reporting policies of the Town of Amite City 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*.

In April 1984 the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November 1984 the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

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

**A. REPORTING ENTITY**

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.

Town of Amite City

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
For Year Ended June 30, 1997

**Cash flows from operating activities:**

Operating loss \$(11,119)

Adjustments to reconcile net operating loss  
to net cash provided by operating activities:

Depreciation	\$ 48,191
Decrease in accounts receivable	1,029
Decrease in amounts due to other funds	(24,432)
Increase in accounts payable	6,751
Decrease in compensated absences payable	<u>(375)</u>
Total adjustments	<u>31,164</u>

Net cash provided by operating activities 20,045

**Cash flows from capital and related financing activities:**

Proceeds from sale of asset	175
Payments for capital acquisitions	(4,916)
Principal repayments	(19,286)
Interest paid	<u>(2,246)</u>

Net cash (used) for capital and related  
financing activities (26,273)

**Cash flows from investing activities:**

Interest income 3,127

Net cash provided by investing activities 3,127

Net cash decrease for the year (3,101)

Cash at beginning of year 14,243

Cash at end of year \$ 11,142

The accompanying notes are an integral part of this statement.



Town of Amite City

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE  
Years Ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<u>Operating Revenues</u>		
Charges for services -		
Water sales	\$ 213,940	\$ 210,089
Sewer charges	87,982	86,647
Delinquent charges	10,174	9,156
Connection charges	<u>6,690</u>	<u>6,770</u>
Total operating revenues	<u>318,786</u>	<u>312,662</u>
 <u>Operating Expenses</u>		
Salaries	80,102	76,302
Payroll taxes	6,142	5,881
Electricity -		
Water pumps	35,849	36,746
Sewerage plant	40,341	44,876
Repairs/Supplies -		
Water system	34,389	29,098
Sewerage system	57,832	56,877
Engineer fees	-	188
Truck Expense	7,765	10,507
Office expense	6,203	6,848
Dues	3,830	3,830
Sewerage testing	8,752	5,568
Other	509	100
Bad debt (recovery) expense	-	(2,250)
Depreciation	<u>48,191</u>	<u>47,593</u>
Total operating expenses	<u>329,905</u>	<u>322,164</u>
 Operating income (loss)	 (11,119)	 (9,502)
 <u>Nonoperating Revenues (Expenses)</u>		
Interest income	3,127	3,639
Interest expense	(2,246)	(3,426)
Other	<u>175</u>	<u>548</u>
 Income (loss) before operating transfers	 (10,063)	 (8,741)
 Transfers from:		
Sales tax fund	 <u>-</u>	 <u>35,000</u>
 Net income (loss)	 (10,063)	 26,259
 Retained earnings (deficit), beginning	 <u>(116,087)</u>	 <u>(142,346)</u>
 Retained earnings (deficit), ending	 <u>\$ (126,150)</u>	 <u>\$(116,087)</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -  
GENERAL AND SPECIAL REVENUE FUND TYPES  
Year Ended June 30, 1997

	General Fund		Variance Favorable (Unfavorable)	Annually Budgeted Special Revenue Funds		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
<u>Revenues</u>						
Taxes	\$ 160,000	\$ 169,802	\$ 9,802	\$1,060,000	\$1,122,190	\$ 62,190
Licenses and permits	190,500	186,254	(4,246)	-	-	-
Intergovernmental	84,405	135,699	51,294	-	-	-
Fines	32,000	32,251	251	-	-	-
Charges for service	270,000	257,332	(12,668)	-	-	-
On behalf payments by state	-	40,597	40,597	-	-	-
Miscellaneous	32,000	33,128	1,128	9,000	5,494	(3,506)
Total revenues	<u>768,905</u>	<u>855,063</u>	<u>86,158</u>	<u>1,069,000</u>	<u>1,127,684</u>	<u>58,684</u>
<u>Expenditures</u>						
General government	462,560	478,155	(15,595)	6,906	7,294	(388)
Public safety - Police	379,250	467,695	(88,445)	-	-	-
Public safety - Fire	12,359	15,501	(3,142)	131,118	139,381	(8,263)
Streets	437,500	425,412	12,088	240,000	247,345	(7,345)
Sanitation	132,170	166,996	(34,826)	-	-	-
Cemetery	26,500	28,119	(1,619)	-	-	-
Cultural and recreation	88,200	59,352	28,848	-	-	-
Economic development	-	-	-	18,200	17,433	767
Intergovernmental	13,000	6,318	6,682	-	-	-
Miscellaneous programs	25,500	22,757	2,743	-	-	-
Total expenditures	<u>1,577,039</u>	<u>1,670,305</u>	<u>(93,266)</u>	<u>396,224</u>	<u>411,453</u>	<u>(15,229)</u>
Excess (deficiency) of revenues over expenditures	<u>(808,134)</u>	<u>(815,242)</u>	<u>(7,108)</u>	<u>672,776</u>	<u>716,231</u>	<u>43,455</u>
<u>Other Financing Sources (Uses)</u>						
Operating transfers in	760,000	875,000	115,000	125,400	126,447	1,047
Operating transfers out	<u>(98,900)</u>	<u>(103,528)</u>	<u>(4,628)</u>	<u>(786,500)</u>	<u>(902,872)</u>	<u>(116,372)</u>
Total other financing sources (uses)	<u>661,100</u>	<u>771,472</u>	<u>110,372</u>	<u>(661,100)</u>	<u>(776,425)</u>	<u>(115,325)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(147,034)	(43,770)	103,264	11,676	(60,194)	(71,870)
Fund balances, beginning	<u>185,695</u>	<u>185,695</u>	-	<u>413,864</u>	<u>413,864</u>	-
Fund balances, ending	<u>\$ 38,661</u>	<u>\$ 141,925</u>	<u>\$103,264</u>	<u>\$ 425,540</u>	<u>\$ 353,670</u>	<u>\$ (71,870)</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

Year Ended June 30, 1997

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>	
			<u>1997</u>	<u>1996</u>
<u>Revenues</u>				
Taxes	\$ 169,802	\$1,122,190	\$1,291,992	\$ 1,226,055
Licenses and permits	186,254	-	186,254	190,647
Intergovernmental	135,699	77,999	213,698	441,971
Fines	32,251	-	32,251	31,296
Charges for services	257,332	-	257,332	266,599
On behalf payments by state	40,597	-	40,597	-
Miscellaneous	<u>33,128</u>	<u>5,494</u>	<u>38,622</u>	<u>44,793</u>
Total revenues	<u>855,063</u>	<u>1,205,683</u>	<u>2,060,746</u>	<u>2,201,361</u>
<u>Expenditures</u>				
Current -				
General government	478,155	7,294	485,449	498,142
Public safety - Police	467,695	-	467,695	414,017
Public safety - Fire	15,501	139,381	154,882	143,636
Streets	425,412	247,345	672,757	764,960
Sanitation	166,996	-	166,996	108,013
Cemetery	28,119	-	28,119	25,811
Housing	-	7,626	7,626	7,538
Culture and recreation	59,352	-	59,352	70,190
Economic development	-	17,433	17,433	110,726
Intergovernmental	6,318	-	6,318	12,231
Miscellaneous programs	<u>22,757</u>	<u>-</u>	<u>22,757</u>	<u>9,640</u>
Total expenditures	<u>1,670,305</u>	<u>419,079</u>	<u>2,089,384</u>	<u>2,164,904</u>
Excess (deficiency) of revenues over expenditures	<u>(815,242)</u>	<u>786,604</u>	<u>(28,638)</u>	<u>36,457</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	875,000	131,400	1,006,400	990,312
Operating transfers out	<u>(103,528)</u>	<u>(902,872)</u>	<u>(1,006,400)</u>	<u>(1,025,312)</u>
Total other financing sources (uses)	<u>771,472</u>	<u>(771,472)</u>	<u>-</u>	<u>(35,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(43,770)	15,132	(28,638)	1,457
Fund balances, beginning	<u>185,695</u>	<u>338,538</u>	<u>524,233</u>	<u>522,776</u>
Fund balances, ending	<u>\$ 141,925</u>	<u>\$ 353,670</u>	<u>\$ 495,595</u>	<u>\$ 524,233</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1997

	<u>Governmental Fund Types</u>		<u>Proprietary Fund</u>		<u>Fiduciary Fund</u>		<u>Account Groups</u>			<u>Totals</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Type Enterprise</u>	<u>Type Agency</u>	<u>General</u>	<u>Fixed Assets</u>	<u>General</u>	<u>Long-Term Debt</u>	<u>1997</u>	<u>1996</u>	
<u>Liabilities</u>											
Accounts Payable	\$ 29,819	\$ 2,632	\$ 15,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,532	\$ 77,178	
Compensated absences payable	-	-	3,252	-	-	-	27,282	-	30,534	28,013	
Intergovernmental payables	-	12,013	-	-	-	-	-	-	12,013	11,132	
Payable from restricted assets -											
Customers' deposits	-	-	64,817	-	-	-	-	-	64,817	59,462	
Due to other funds	-	3,403	81,642	-	-	-	-	-	85,045	131,331	
Due to plan participants	-	-	-	306,803	-	-	-	-	306,803	263,577	
Unearned grants	-	-	-	-	-	-	-	-	-	53,395	
Notes payable	-	-	21,551	-	-	-	-	-	21,551	40,837	
	<u>29,819</u>	<u>18,048</u>	<u>186,343</u>	<u>306,803</u>	<u>-</u>	<u>-</u>	<u>27,282</u>	<u>-</u>	<u>568,295</u>	<u>664,925</u>	
<u>Fund Equity</u>											
Contributed capital	-	-	1,034,074	-	-	-	-	-	1,034,074	1,034,074	
Investment in general fixed assets	-	-	-	-	1,776,159	-	-	-	1,776,159	1,553,502	
Retained earnings (deficit)											
Unreserved	-	-	(126,150)	-	-	-	-	-	(126,150)	(116,087)	
Fund balances -											
Unreserved - Designated	-	28,650	-	-	-	-	-	-	28,650	10,075	
Unreserved - Undesignated	<u>141,925</u>	<u>325,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>466,945</u>	<u>514,158</u>	
	<u>141,925</u>	<u>353,670</u>	<u>907,924</u>	<u>-</u>	<u>1,776,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,179,678</u>	<u>2,995,722</u>	
Total fund equity											
	<u>\$171,744</u>	<u>\$371,718</u>	<u>\$1,094,267</u>	<u>\$306,803</u>	<u>\$1,776,159</u>	<u>\$27,282</u>	<u>\$3,660,647</u>	<u>\$3,747,973</u>	<u>\$3,660,647</u>		

(Concluded)

The accompanying notes are an integral part of this statement.

Town of Amite City

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1997

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Type</u> <u>Enterprise</u>	<u>Fiduciary Fund Type</u> <u>Agency</u>	<u>Account Groups</u>			<u>Totals</u> <u>(Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>			<u>General</u>	<u>Fixed Assets</u>	<u>Long-Term Debt</u>	
<u>ASSETS AND OTHER DEBITS</u>								
<u>Assets</u>								
Cash and cash equivalents	\$ 13,246	\$ 273,210	\$ 11,142	\$ -	\$ -	\$ -	\$ 297,598	\$ 368,813
Receivables	75,856	96,105	27,540	-	-	-	199,501	225,533
Deposits/Deferred Comp Plan	-	-	-	306,803	-	-	306,803	263,577
Due from other funds	82,642	2,403	-	-	-	-	85,045	131,331
Restricted assets - cash	-	-	64,817	-	-	-	64,817	59,462
Land, buildings, and equipment (net, where applicable, of accumulated depreciation)	-	-	990,768	-	1,776,159	-	2,766,927	2,587,545
<u>Other Debits</u>								
Amount to be provided for retire- ment of general long-term debt	-	-	-	-	-	27,282	27,282	24,386
<u>Total Assets and Other Debits</u>	<u>\$171,744</u>	<u>\$371,718</u>	<u>\$1,094,267</u>	<u>\$306,803</u>	<u>\$1,776,159</u>	<u>\$27,282</u>	<u>\$3,747,973</u>	<u>\$3,660,647</u>

(Continued)

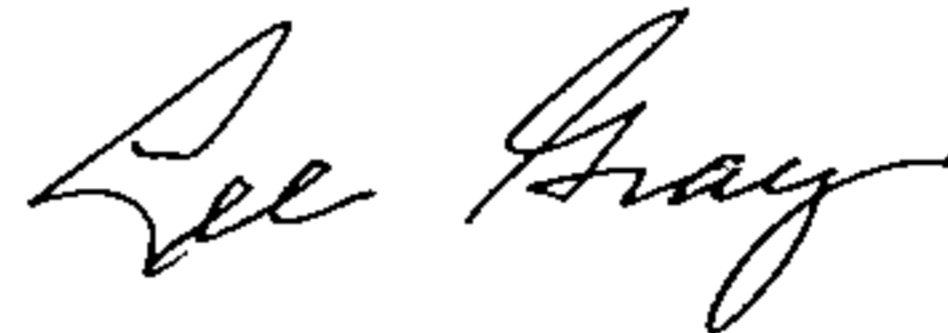
The accompanying notes are an integral part of this statement.

**GENERAL PURPOSE FINANCIAL STATEMENTS**

my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which I expressed an unqualified opinion on the general purpose financial statements of the Town of Amite City, Louisiana.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 11, 1997, on my consideration of the Town's internal control and a report dated December 11, 1997, on its compliance with laws and regulations.

A handwritten signature in cursive script that reads "Lee Gray".

Certified Public Accountant

December 11, 1997

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SOCIETY OF LOUISIANA CPAs

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying general purpose financial statements of the Town of Amite City, Louisiana, as of and for the year ended June 30, 1997. These general purpose financial statements are the responsibility of the Town of Amite City, Louisiana, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Amite City, Louisiana, as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 18 to the financial statements, the Town of Amite City is a defendant in several lawsuits seeking damages of various amounts. The ultimate outcome of these lawsuits cannot presently be determined and no provision for any liability that may result has been made in the accompanying financial statements.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Amite City, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in



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**TOWN OF AMITE CITY**

Louisiana

**FINANCIAL REPORT**

June 30, 1997

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

Release Date MAR 04 1998