

6-11-99  
FILE COPY  
**DO NOT SEND OUT**  
(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

# TOWN OF AMITE CITY

Louisiana

## FINANCIAL REPORT

June 30, 1999

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 ~~7-19-2000~~  
1-19-2000

RECEIVED  
LEGISLATIVE AUDITOR  
1999 DEC 30 PM 2:47

TABLE OF CONTENTS

**TOWN OF AMITE CITY**

LOUISIANA

June 30, 1999

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS</b> .....	1
 <b>GENERAL PURPOSE FINANCIAL STATEMENTS</b>	
Combined Balance Sheet - All Fund Types and Account Groups .....	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types .....	6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General and Special Revenue Fund Types .....	7
Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Type .....	8
Statement of Cash Flows - Proprietary Fund Type .....	9
Notes to Financial Statements .....	10
 <b>SUPPLEMENTAL INFORMATION</b>	
<u>General Fund</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual .....	31
Schedule of Expenditures Compared to Budget (GAAP Basis) .....	33
 <u>Special Revenue Funds</u>	
Combining Balance Sheet .....	37
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances .....	38
Sales Tax Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual .....	39

TABLE OF CONTENTS - Continued

Economic Development Fund -  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget (GAAP Basis) and Actual . . . . . 40

Capital Improvements Fund -  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget (GAAP Basis) and Actual . . . . . 41

Year 2000 Supplementary Information . . . . . 42

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

Report on Compliance and on Internal Control Over  
Financial Reporting Based on an Audit of Financial  
Statements Performed in Accordance with  
*Government Auditing Standards* . . . . . 44

Schedule of Findings . . . . . 46

Summary Schedule of Prior Audit Findings . . . . . 49

Corrective Action Plan for Current Year Audit Findings . . . . . 50

**L E E   G R A Y**  
CERTIFIED PUBLIC ACCOUNTANT  
601 COURTNEY DRIVE  
P. O. BOX 368  
AMITE, LOUISIANA 70422

MEMBER  
AMERICAN INSTITUTE OF CPAS  
SOCIETY OF LOUISIANA CPAS

PHONE (504) 748-9067  
FAX (504) 748-4370

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, 1999. 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, 1999, 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 19 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 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 October 29, 1999, on my consideration of the Town's internal control over financial reporting and my tests of compliance with certain provisions of laws, regulations, contracts, and grants.

The year 2000 supplementary information on page 42 is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Town of Amite City is or will become year 2000 compliant, that the Town of Amite City's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town of Amite City does business are or will become year 2000 compliant.



Certified Public Accountant

October 29, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS**

Town of Amite City

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 1999

	<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 Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>1999</u>	<u>1998</u>	<u>(Memorandum Only)</u>		
<u>ASSETS AND OTHER DEBITS</u>											
<u>Assets</u>											
Cash and cash equivalents	\$ 18,062	\$529,939	\$ 17,600	\$ 1,700	\$ -	\$ -	\$ 567,301	\$ 401,984			
Receivables	129,715	118,807	29,566	247	-	-	278,335	252,024			
Deposits/Deferred Comp Plan	-	-	-	373,509	-	-	373,509	339,262			
Due from other funds	187,251	3,010	-	1,217	-	-	191,478	150,958			
Restricted assets - cash	-	-	74,143	-	-	-	74,143	70,462			
Land, buildings, and equipment (net, where applicable, of accumulated depreciation)	-	-	1,028,250	-	1,998,924	-	3,027,174	2,842,188			
<u>Other Debits</u>											
Amount to be provided for retire- ment of general long-term debt	-	-	-	-	-	-	35,226	30,104			
<b>Total Assets and Other Debits</b>	<u>\$335,028</u>	<u>\$651,756</u>	<u>\$1,149,559</u>	<u>\$376,673</u>	<u>\$1,998,924</u>	<u>\$35,226</u>	<u>\$4,547,166</u>	<u>\$4,086,982</u>			

(Continued)

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, 1999

	<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</u>	<u>Enterprise</u>	<u>Type</u>	<u>Agency</u>	<u>General</u>	<u>Fixed Assets</u>	<u>Long-Term Debt</u>	<u>1999</u>	<u>1998</u>
<u>Liabilities</u>											
Accounts Payable	\$ 62,950	\$ 2,979	\$ 17,407	\$ -	\$ -	\$ -	\$ -	-	-	\$ 83,336	\$ 53,652
Compensated absences payable	-	-	4,984	-	-	-	35,226	-	-	40,210	34,575
Intergovernmental payables	-	14,851	-	-	-	-	-	-	-	14,851	12,724
Payable from restricted assets - Customers' deposits	-	-	74,143	-	-	-	-	-	-	74,143	70,462
Due to other funds	1,417	6,649	183,412	-	-	-	-	-	-	191,478	150,958
Due to plan participants/others	-	-	-	376,673	-	-	-	-	-	376,673	339,262
Unearned revenue	-	-	-	-	-	-	-	-	-	-	3,240
<u>Total liabilities</u>	<u>64,367</u>	<u>24,479</u>	<u>279,946</u>	<u>376,673</u>	<u>-</u>	<u>35,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>780,691</u>	<u>664,873</u>
<u>Fund Equity</u>											
Contributed capital	-	-	1,049,074	-	-	-	-	-	-	1,049,074	1,049,074
Investment in general fixed assets	-	-	-	-	1,998,924	-	-	-	-	1,998,924	1,845,170
Retained earnings (deficit)	-	-	(179,461)	-	-	-	-	-	-	(179,461)	(154,613)
Fund balances -											
Unreserved - Designated	-	66,375	-	-	-	-	-	-	-	66,375	47,475
Unreserved - Undesignated	270,661	560,902	-	-	-	-	-	-	-	831,563	635,003
<u>Total fund equity</u>	<u>270,661</u>	<u>627,277</u>	<u>869,613</u>	<u>-</u>	<u>1,998,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,766,475</u>	<u>3,422,109</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$335,028</u>	<u>\$651,756</u>	<u>\$1,149,559</u>	<u>\$376,673</u>	<u>\$1,998,924</u>	<u>\$35,226</u>	<u>\$4,547,166</u>	<u>\$4,086,982</u>	<u>\$4,086,982</u>	<u>\$4,547,166</u>	<u>\$4,086,982</u>

(Concluded)

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, 1999

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>	
			<u>1999</u>	<u>1998</u>
<u>Revenues</u>				
Taxes	\$ 183,609	\$ 1,331,452	\$ 1,515,061	\$ 1,350,075
Licenses and permits	233,605	-	233,605	228,375
Intergovernmental	298,896	-	298,896	175,207
Fines	35,452	-	35,452	39,252
Charges for services	281,873	-	281,873	271,027
On behalf payments by state	41,100	-	41,100	47,570
Miscellaneous	44,240	11,807	56,047	62,784
Total revenues	<u>1,118,775</u>	<u>1,343,259</u>	<u>2,462,034</u>	<u>2,174,290</u>
<u>Expenditures</u>				
<u>Current -</u>				
General government	628,640	9,007	637,647	527,523
Public safety - Police	491,425	-	491,425	481,326
Public safety - Fire	17,834	165,350	183,184	162,012
Streets	450,947	-	450,947	414,533
Sanitation	171,134	-	171,134	114,031
Cemetery	69,444	-	69,444	53,917
Culture and recreation	110,789	-	110,789	85,981
Economic development	-	10,613	10,613	11,238
Intergovernmental	10,042	-	10,042	9,312
Miscellaneous programs	26,458	-	26,458	58,399
Main Street	34,891	-	34,891	41,330
Total expenditures	<u>2,011,604</u>	<u>184,970</u>	<u>2,196,574</u>	<u>1,959,602</u>
Excess (deficiency) of revenues over expenditures	<u>(892,829)</u>	<u>1,158,289</u>	<u>265,460</u>	<u>214,688</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	1,070,000	161,970	1,231,970	1,184,056
Operating transfers out	<u>(128,900)</u>	<u>(1,153,070)</u>	<u>(1,281,970)</u>	<u>(1,211,861)</u>
Total other financing sources (uses)	<u>941,100</u>	<u>(991,100)</u>	<u>(50,000)</u>	<u>(27,805)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	48,271	167,189	215,460	186,883
Fund balances, beginning	<u>222,390</u>	<u>460,088</u>	<u>682,478</u>	<u>495,595</u>
Fund balances, ending	<u>\$ 270,661</u>	<u>\$ 627,277</u>	<u>\$ 897,938</u>	<u>\$ 682,478</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, 1999

	General Fund			Annually Budgeted Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Taxes	\$ 179,000	\$ 183,609	\$ 4,609	\$ 1,206,000	\$ 1,331,452	\$ 125,452
Licenses and permits	233,000	233,605	605	-	-	-
Intergovernmental	270,025	298,896	28,871	-	-	-
Fines	41,500	35,452	(6,048)	-	-	-
Charges for service	275,500	281,873	6,373	-	-	-
On behalf payments by state	41,100	41,100	-	-	-	-
Miscellaneous	44,600	44,240	(360)	18,000	11,807	(6,193)
Total revenues	<u>1,084,725</u>	<u>1,118,775</u>	<u>34,050</u>	<u>1,224,000</u>	<u>1,343,259</u>	<u>119,259</u>
<u>Expenditures</u>						
General government	623,900	628,640	(4,740)	7,840	9,007	(1,167)
Public safety - Police	500,700	491,425	9,275	-	-	-
Public safety - Fire	17,731	17,834	(103)	150,750	165,350	(14,600)
Streets	459,600	450,947	8,653	-	-	-
Sanitation	178,300	171,134	7,166	-	-	-
Cemetery	66,730	69,444	(2,714)	-	-	-
Capital outlay	-	-	-	100,000	-	100,000
Cultural and recreation	108,841	110,789	(1,948)	-	-	-
Economic development	-	-	-	10,760	10,613	147
Intergovernmental	13,000	10,042	2,958	-	-	-
Miscellaneous programs	30,700	26,458	4,242	-	-	-
Main Street	34,802	34,891	(89)	-	-	-
Total expenditures	<u>2,034,304</u>	<u>2,011,604</u>	<u>22,700</u>	<u>269,350</u>	<u>184,970</u>	<u>84,380</u>
Excess (deficiency) of revenues over expenditures	<u>(949,579)</u>	<u>(892,829)</u>	<u>56,750</u>	<u>954,650</u>	<u>1,158,289</u>	<u>203,639</u>
<u>Other Financing Sources (Uses)</u>						
Operating transfers in	995,000	1,070,000	75,000	273,200	161,970	(111,230)
Operating transfers out	(243,900)	(128,900)	115,000	(1,074,955)	(1,153,070)	(78,115)
Total other financing sources (uses)	<u>751,100</u>	<u>941,100</u>	<u>190,000</u>	<u>(801,755)</u>	<u>(991,100)</u>	<u>(189,345)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(198,479)	48,271	246,750	152,895	167,189	14,294
Fund balances, beginning	<u>222,390</u>	<u>222,390</u>	-	<u>460,088</u>	<u>460,088</u>	-
Fund balances, ending	<u>\$ 23,911</u>	<u>\$ 270,661</u>	<u>\$ 246,750</u>	<u>\$ 612,983</u>	<u>\$ 627,277</u>	<u>\$ 14,294</u>

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, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<u>Operating Revenues</u>		
Charges for services -	\$ 220,417	\$ 217,738
Water sales	91,418	90,456
Sewer charges	10,701	10,069
Delinquent charges	7,475	8,322
Connection charges	<u>330,011</u>	<u>326,585</u>
Total operating revenues		
 <u>Operating Expenses</u>	 93,015	 81,803
Salaries	7,076	6,211
Payroll taxes		
Electricity -	37,577	36,057
Water pumps	42,415	37,440
Sewerage plant		
Repairs/Supplies -	38,653	31,722
Water system	74,180	99,953
Sewerage system	877	12,104
Engineer fees	10,533	17,298
Truck Expense	6,330	5,781
Office expense	4,139	3,830
Dues	10,038	8,085
Sewerage testing	22,700	-
Sewer Facility plan	-	826
Other	-	245
Bad debt expense	<u>46,946</u>	<u>47,460</u>
Depreciation	<u>394,479</u>	<u>388,815</u>
Total operating expenses		
 Operating income (loss)	 (64,468)	 (62,230)
 <u>Nonoperating Revenues (Expenses)</u>	 6,120	 6,827
Interest income	-	(865)
Interest expense	<u>(16,500)</u>	<u>-</u>
EPA fine (Sewer)		
Income (loss) before operating transfers	(74,848)	(56,268)
 Transfers from:		
Sales tax fund	<u>50,000</u>	<u>27,805</u>
Net income (loss)	(24,848)	(28,463)
 Retained earnings (deficit), beginning	 <u>(154,613)</u>	 <u>(126,150)</u>
Retained earnings (deficit), ending	<u>\$(179,461)</u>	<u>\$(154,613)</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
Year Ended June 30, 1999

<b>Cash flows from operating activities:</b>		
Operating loss		\$ (64,468)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation	\$ 46,946	
Decrease in accounts receivable	13,656	
Increase in amounts due to other funds	60,474	
Decrease in accounts payable	(12,596)	
Increase in compensated absences payable	<u>513</u>	
Total adjustments		<u>108,993</u>
Net cash provided by operating activities		44,525
<b>Cash flows from noncapital financing activities:</b>		
Payment for EPA fine	(16,500)	
Receipts from other funds	<u>50,000</u>	
Net cash provided by noncapital financing activities		33,500
<b>Cash flows from capital and related financing activities:</b>		
Payments for capital acquisitions	<u>(78,178)</u>	
Net cash (used) for capital and related financing activities		(78,178)
<b>Cash flows from investing activities:</b>		
Interest income	<u>6,120</u>	
Net cash provided by investing activities		<u>6,120</u>
Net cash increase for the year		5,967
Cash at beginning of year		<u>11,633</u>
Cash at end of year		<u>\$ 17,600</u>

The accompanying notes are an integral part of this statement.



Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

**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 Councilmen.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

**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, 1999

**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.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

**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.

The Town amended the General Fund's budget three times during the year. The final amendment was on June 1, 1999.

**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

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

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.

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.

**II. 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.

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:



Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

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 regarding 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 month in accordance with, or proportionate to, the following:

- a. Less than one year of service, at the rate of 3.33 hours of annual leave and 4 hours of sick leave per month.
- b. One year but less than ten years of service, at the rate of 6.67 hours of annual leave and 8 hours of sick leave per month.
- c. Ten years or more of service, at the rate of 10 hours annual leave and 8 hours of sick leave per month.

Accrued unused annual leave earned by an employee shall be carried forward to the succeeding fiscal year but not in excess of 240 hours. 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 30 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.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

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.

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 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.

**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.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

**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.

**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, 1999:

<u>Fund</u>	<u>Deficit Amount</u>
Water and Sewer Enterprise Fund	<u>\$(179,461)</u>
Total	<u>\$(179,461)</u>



Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(3) REVENUES AND EXPENDITURES - ACTUAL AND BUDGET

The following individual funds had either actual revenues and other sources fail to meet budgeted revenues and other sources or actual expenditures and other uses over budgeted expenditures and other uses for the year ended June 30, 1999:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percent</u>
Revenues:				
Capital Improvements Fund	\$230,000	\$112,210	\$117,790	51.21%
Expenditures:				
Sales Tax Fund	\$1,225,705	\$1,318,420	\$92,715	7.56%

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 by an adequate amount for the capital improvements fund and sales tax fund for the fiscal year ended June 30, 1999.

The over expenditures of the sales tax fund was funded by available fund balance.

(4) CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents (book balances) at June 30, 1999:

Petty cash	\$ 250
Interest-bearing demand deposits	594,501
Time deposits	<u>46,693</u>
Total	<u>\$641,444</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, 1999, the Town has \$759,186 in deposits (collected bank balances). These deposits are secured from risk by \$192,065 of federal deposit insurance and \$567,121 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

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.

(5) RECEIVABLES

Receivables at June 30, 1999, consist of the following:

<u>Class of Receivables</u>	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Agency</u>	<u>Total</u>
Taxes -					
Franchise	\$ 18,137	\$ -	\$ -	\$ -	\$ 18,137
Sales	-	118,807	-	-	118,807
Accounts -					
Prisoner housing fees	553	-	-	-	553
Garbage	26,758	-	-	-	26,758
Water and Sewer	-	-	30,891	-	30,891
Less: Allowance for Uncollectibles	(1,175)	-	(1,325)	-	(2,500)
Other	165	-	-	247	412
Intergovernmental -					
Beer taxes	3,000	-	-	-	3,000
Tobacco taxes	5,379	-	-	-	5,379
Video poker	38,865	-	-	-	38,865
Dept. of Motor Vehicles	3,042	-	-	-	3,042
School Board	3,016	-	-	-	3,016
Highway maintenance	5,053	-	-	-	5,053
State grant	4,000	-	-	-	4,000
Federal grants	<u>22,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,922</u>
Totals	<u>\$129,715</u>	<u>\$118,807</u>	<u>\$29,566</u>	<u>\$ 247</u>	<u>\$278,335</u>

An allowance account for taxes receivable is not considered necessary.

(6) AD VALOREM TAXES

For the year ended June 30, 1999, taxes of 6.11 mills were levied on property with assessed valuations totaling \$13,251,520.

Total taxes levied were \$80,967. Taxes receivable at June 30, 1999, were nil.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

**(7) RESTRICTED ASSETS - PROPRIETARY FUND TYPE**

Restricted assets were applicable to the following at June 30:

	<u>1999</u>	<u>1998</u>
Customers' deposits - cash	<u>\$74,143</u>	<u>\$70,462</u>

**(8) FIXED ASSETS**

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1999</u>
Land	\$ 286,140	\$ -	\$ -	\$ 286,140
Buildings	702,566	-	-	702,566
Improvements other than buildings	300,914	-	-	300,914
Equipment	<u>555,550</u>	<u>172,580</u>	<u>(18,826)</u>	<u>709,304</u>
Total	<u>\$1,845,170</u>	<u>\$172,580</u>	<u>\$(18,826)</u>	<u>\$1,998,924</u>

At June 30, 1999, the investment in general fixed assets is from:

Donations	\$ 234,070
General fund revenues	838,913
Sales tax revenues	559,517
Federal shared revenues	88,976
Federal grants	191,716
State grants	<u>85,732</u>
Total	<u>\$1,998,924</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

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

Land - Water	\$ 18,000
Land - Sewer	25,957
Wells	119,000
Storage tanks	211,899
Water lines and meters	500,407
Sewerage system	877,889
Equipment	<u>78,204</u>
Sub-total	1,831,356
Less: accumulated depreciation	<u>(803,106)</u>
Net	<u>\$1,028,250</u>

During the fiscal year, the proprietary fund had additions of \$78,178 and no deletions to property, plant, and equipment.

(9) PENSION PLAN

Some of the police department employees of the Town of Amite City 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. 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. 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 (225) 929-7411.



Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

*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, 1999, 1998, and 1997, were \$13,058, \$11,712, and \$10,977, 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.

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, 1999, the Town has assets of \$230,940 in the Jackson National plan, and \$142,569 in the Delaware Group plan. The amounts of total assets of either plan were not available.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(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, 1999, were \$92,348 of which \$46,174 was contributed by the Town.

(12) COMPENSATED ABSENCES

At June 30, 1999, employees of the primary government have accumulated and vested \$40,210 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$35,226 is recorded within general long-term obligations account group. The leave liability for employees of the Enterprise Fund, for \$4,984, is accounted for within the fund.

(13) LEASES

The Town has an operating lease of the following nature:

On April 1, 1998, the police department entered into an operating lease with Southeast Business Systems for a copier. The terms are for 36 monthly payments of \$124.00. The lease does not contain an option to purchase.

The minimum future, annual rental payments required under the noncancelable operating lease are:

<u>Fiscal Year</u>	<u>Total</u>
06-30-00	1,860
06-30-01	<u>372</u>
	<u>\$2,232</u>

(14) 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, 1999:

Compensated Absences -	
Accumulated and vested at July 1, 1998	\$30,104
Net changes for the year	<u>5,122</u>
Accumulated and vested at June 30, 1999	<u>\$35,226</u>



Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

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

Proceeds of a 2% sales and use tax levied by the Town (1998 collections \$1,176,885; 1999 \$1,331,452) 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, 1999

(16) CHANGES IN AGENCY FUNDS

A summary of changes in assets and liabilities follows:

	<u>Balances at July 1, 1998</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances at June 30, 1999</u>
Assets:				
Bond & Prisoner Funds				
Cash	\$ -	\$ 1,700	\$ -	\$ 1,700
Receivables	-	247	-	247
Due from other funds	-	1,217	-	1,217
	<u>-</u>	<u>3,164</u>	<u>-</u>	<u>3,164</u>
Deferred Comp. Plans Deposits	<u>339,262</u>	<u>34,247</u>	<u>-</u>	<u>373,509</u>
Total Assets	<u>\$339,262</u>	<u>\$37,411</u>	<u>\$ -</u>	<u>\$376,673</u>
Liabilities:				
Due to Plan Participants	\$339,262	\$34,247	\$ -	\$373,509
Due to Others	<u>-</u>	<u>3,164</u>	<u>-</u>	<u>3,164</u>
Total Liabilities	<u>\$339,262</u>	<u>\$37,411</u>	<u>\$ -</u>	<u>\$376,673</u>

(17) INTERFUND RECEIVABLES, PAYABLES

Amounts due to or from other funds at June 30, 1999, consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$187,151	\$ 1,317
Special Revenue Funds -		
Sales Tax Fund	-	3,010
Economic Development Fund	3,010	3,639
Enterprise Fund -		
Water and Sewer Fund	-	183,412
Agency Fund -		
Prisoner Money Fund	-	100
Bond Money Fund	<u>1,317</u>	<u>-</u>
Total	<u>\$191,478</u>	<u>\$191,478</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(18) 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.

(19) LITIGATION AND CLAIMS

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

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 City Attorney, Charles M. Reid and special counsel, Joseph Simpson.

Suit # 9701021, Dr. Nathan Forrest, et al vs. Tangipahoa Parish Council, et al which is a Petition for an Injunction involving the parish landfill. A judgment was granted in favor of the defendants. The plaintiffs have filed a writ with the Louisiana Supreme Court.

Suit # 9802217, Robert Weldon Russell et al vs. Town of Amite and P.C. Gabriel, Chief of Police. This is a petition for injunction and damages. A judgment was granted in favor of the plaintiff. The Town is appealing the decision. The Town is being defended by special counsel, Joseph Simpson.

Suit # 9803318, Alma Jones vs. Town of Amite. This is a petition for damages. The Town of Amite is being defended by its insurer, Risk Management.

Suit # 9804058, Marion Buckhalter vs. Town of Amite, et al. Petition for damages. The matter has been set for trial and is being defended by the insurer of the Town of Amite City, Risk Management.

Suit # 9900697, Robert W. Russell, et al vs. Town of Amite City and the Amite Historical District wherein the petitioners are seeking an injunction and damages. By agreement with counsel for the plaintiffs this matter is on hold until a ruling from the Court of Appeals in No. 9802217 which is a suit between the same parties.

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, 1999

Claims and litigation costs of \$41,002 were paid in the current year and recorded as a current-year expenditure in the General Fund.

(20) 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	32,996
<u>Town Council</u>	
Buddy Bel	2,700
Samuel C. Hyde	2,700
Lee Schilling, Jr.	2,700
Jonathon Foster	2,700
Thaddeus Richardson	<u>2,700</u>
	<u>\$51,896</u>

(21) ON BEHALF PAYMENTS BY STATE OF LOUISIANA

For the year ended June 30, 1999, 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 \$41,100 of on behalf payments as revenue and as expense in the General Fund.

(22) OTHER MATTERS

On August 20, 1998, Chief of Police Chuck Gabriel, and Lt. Linda Perez discovered a shortage in the police bond money fund. The total loss equaled \$2,004. The Legislative Auditor for the State of Louisiana and the District Attorney for the 21<sup>st</sup> Judicial District were informed of the loss. The District Attorney has investigated the matter.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(23) RISK MANAGEMENT

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.

(24) SUBSEQUENT EVENTS

Subsequent to June 30, 1999, the following events occurred:

- a) The Town entered into a cemetery maintenance contract with Nick Mason for \$35,750 per year.
- b) Motion passed to have 50% of the excess budgeted sales tax revenue for FYE 6-30-2000 be dedicated for the construction of a new sewer treatment plant or improvements to the existing system.

**SUPPLEMENTAL INFORMATION SCHEDULES**



## **General Fund**

---

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.

---

Town of Amite City  
General Fund  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<u>Revenues</u>				
Taxes -				
Ad valorem	\$ 85,000	\$ 87,967	\$ 2,967	\$ 83,215
Public utilities franchise	94,000	95,642	1,642	89,975
Licenses and permits -				
Occupational licenses	220,000	221,320	1,320	213,979
Chain store licenses	3,000	3,457	457	3,370
Permits	10,000	8,828	(1,172)	11,026
Intergovernmental -				
Tobacco taxes	23,000	21,517	(1,483)	21,516
Beer taxes	13,000	15,243	2,243	11,544
Parish grant - police	9,078	9,000	(78)	8,988
Parish grant - tourism	4,000	4,000	-	-
State grant - police	2,000	1,085	(915)	1,430
State grant - main street	8,000	8,000	-	19,500
Federal grant	26,447	33,389	6,942	15,504
State highway maintenance	-	5,053	5,053	-
Video poker	165,000	181,345	16,345	75,833
Department of Motor Vehicles	19,500	20,264	764	20,892
Fines	41,500	35,452	(6,048)	39,252
Charges for services -				
Garbage fees	260,500	263,961	3,461	252,748
Prisoner housing fees	15,000	17,912	2,912	18,279
On behalf payments by state	41,100	41,100	-	47,570
Miscellaneous revenues -				
Cemetery - sale of lots	30,000	24,326	(5,674)	27,727
Rentals	9,000	10,628	1,628	8,363
Interest	4,000	2,615	(1,385)	3,852
Miscellaneous	1,600	6,671	5,071	3,287
Total revenues	<u>1,084,725</u>	<u>1,118,775</u>	<u>34,050</u>	<u>977,850</u>
<u>Expenditures</u>				
Current -				
General government	623,900	628,640	(4,740)	519,873
Public safety - police	500,700	491,425	9,275	481,326
Public safety - fire	17,731	17,834	(103)	15,858
Streets	459,600	450,947	8,653	414,533
Sanitation	178,300	171,134	7,166	114,031
Community Center	23,500	22,748	752	16,856
Cemetery	66,730	69,444	(2,714)	53,917
Parks and recreation	85,341	88,041	(2,700)	69,125
Intergovernmental (DMV)	13,000	10,042	2,958	9,312
Miscellaneous	30,700	26,458	4,242	58,399
Main Street	34,802	34,891	(89)	41,330
Total expenditures	<u>2,034,304</u>	<u>2,011,604</u>	<u>22,700</u>	<u>1,794,560</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, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Excess (deficiency) of revenues over expenditures	<u>\$(949,579)</u>	<u>\$ (892,829)</u>	<u>\$ 56,750</u>	<u>\$(816,710)</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in:				
Sales Tax Fund	995,000	1,070,000	75,000	1,026,000
Operating transfers out:				
Economic Development Fund	(18,900)	(18,900)	-	(18,825)
Capital Improvement Fund	<u>(225,000)</u>	<u>(110,000)</u>	<u>115,000</u>	<u>(110,000)</u>
Total other financing sources (uses)	<u>751,100</u>	<u>941,100</u>	<u>190,000</u>	<u>897,175</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(198,479)	48,271	246,750	80,465
Fund balance, beginning	<u>222,390</u>	<u>222,390</u>	<u>-</u>	<u>141,925</u>
Fund balance, ending	<u>\$ 23,911</u>	<u>\$ 270,661</u>	<u>\$246,750</u>	<u>\$ 222,390</u>

(Concluded)

Town of Amite City  
General Fund

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)

Year Ended June 30, 1999

With Comparative Actual Amounts for Year Ended June 30, 1998

	<u>1999</u>		Variance Favorable (Unfavorable)	1998 Actual
	<u>Budget</u>	<u>Actual</u>		
<u>General Government</u>				\$18,825
Salaries - Mayor and Council	\$ 18,900	\$ 18,900	\$ -	79,569
Salaries - Clerical	72,800	73,594	(794)	13,685
Retirement contributions	15,000	15,769	(769)	122,397
Employee benefits	134,000	128,896	5,104	50,602
Payroll taxes	52,000	51,497	503	7,178
Attorney	65,000	41,002	23,998	7,025
Accounting services	4,500	3,640	860	20,500
Audit	20,500	20,500	-	5,093
Engineer fees	7,000	6,502	498	134,338
Insurance (all funds)	140,000	176,495	(36,495)	18,096
Office expense	17,000	19,706	(2,706)	4,664
Official journal	7,500	7,070	430	7,162
City Hall utilities	7,000	6,873	127	7,981
City Hall telephones	7,500	6,908	592	6,125
City Hall maintenance	14,100	9,657	4,443	3,002
Dues	3,500	4,537	(1,037)	2,463
Assessor and tax roll	2,500	2,320	180	-
Public relations	200	-	200	4,257
Convention expense	4,300	2,330	1,970	134
Medical expense	300	337	(37)	3,383
Miscellaneous	5,000	6,327	(1,327)	2,788
Equipment acquisitions	10,000	8,442	1,558	606
Contract services	600	606	(6)	-
Magistrate judge	7,200	7,200	-	-
Litter program	7,500	9,532	(2,032)	-
	<u>\$623,900</u>	<u>\$628,640</u>	<u>\$ (4,740)</u>	<u>\$519,873</u>
Total General Government				
<u>Public Safety - Police</u>				\$286,674
Salaries	\$301,000	\$291,849	\$ 9,151	43,970
On behalf payments by state	37,500	37,500	-	11,712
Retirement contributions	13,000	13,058	(58)	14,827
Auto fuel	13,500	13,905	(405)	41,081
Auto repairs	20,000	19,751	249	7,104
Uniforms	8,000	9,856	(1,856)	9,647
Repairs and maintenance	15,000	10,386	4,614	10,577
Prisoner expense	10,000	9,311	689	16,535
Office expense	16,000	19,720	(3,720)	884
Schools - conventions	1,000	1,189	(189)	14,307
Utilities	14,000	14,110	(110)	1,612
Equipment rent	1,500	1,735	(235)	22,396
Equipment acquisitions	50,200	49,055	1,145	\$481,326
Total Public Safety - Police	<u>\$500,700</u>	<u>\$491,425</u>	<u>\$ 9,275</u>	

(Continued)

Town of Amite City  
General Fund

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)

Year Ended June 30, 1999

With Comparative Actual Amounts for the Year Ended June 30, 1998

	<u>1999</u>		Variance	
	<u>Budget</u>	<u>Actual</u>	Favorable	1998
			(Unfavorable)	<u>Actual</u>
<u>Public Safety - Fire</u>				
Salaries	\$ 13,458	\$ 13,385	\$ 73	\$ 12,258
On behalf payments by state	3,600	3,600	-	3,600
Retirement	<u>673</u>	<u>849</u>	<u>(176)</u>	<u>-</u>
Total Public Safety - Fire	<u>\$ 17,731</u>	<u>\$ 17,834</u>	<u>\$ (103)</u>	<u>\$ 15,858</u>
<u>Streets</u>				
Salaries	\$176,600	\$158,215	\$ 18,385	\$158,760
Street and traffic lights	72,000	67,391	4,609	62,408
Equipment fuel	12,000	5,248	6,752	7,080
Equipment repairs	50,000	48,393	1,607	55,490
Landfill	28,000	27,042	958	24,801
Materials and supplies	100,000	110,583	(10,583)	93,868
Utilities	6,000	5,900	100	5,714
Drainage	10,000	8,488	1,512	6,412
Equipment acquisitions	<u>5,000</u>	<u>19,687</u>	<u>(14,687)</u>	<u>-</u>
Total Street	<u>\$459,600</u>	<u>\$450,947</u>	<u>\$ 8,653</u>	<u>\$414,533</u>
<u>Sanitation</u>				
Salaries	\$ 30,300	\$ 26,152	\$ 4,148	\$ 17,595
Equipment repairs and supplies	40,000	41,318	(1,318)	40,497
Fuel	8,000	6,119	1,881	6,214
Landfill	50,000	50,114	(114)	49,699
Equipment acquisitions	<u>50,000</u>	<u>47,431</u>	<u>2,569</u>	<u>26</u>
Total Sanitation	<u>\$178,300</u>	<u>\$171,134</u>	<u>\$ 7,166</u>	<u>\$114,031</u>
<u>Community Center</u>				
Utilities	\$ 8,000	\$ 8,638	\$ (638)	\$ 8,174
Repairs and supplies	<u>15,500</u>	<u>14,110</u>	<u>1,390</u>	<u>8,682</u>
Total Community Center	<u>\$ 23,500</u>	<u>\$ 22,748</u>	<u>\$ 752</u>	<u>\$ 16,856</u>
<u>Cemetery</u>				
Salaries	\$ 12,480	\$ 12,618	\$ (138)	\$ 7,694
Contract services	35,750	35,726	24	35,750
Materials and supplies	18,000	19,935	(1,935)	10,354
Utilities	500	591	(91)	119
Fuel	<u>-</u>	<u>574</u>	<u>(574)</u>	<u>-</u>
Total Cemetery	<u>\$ 66,730</u>	<u>\$ 69,444</u>	<u>\$(2,714)</u>	<u>\$ 53,917</u>

(Continued)



Town of Amite City  
General Fund

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended June 30, 1999  
With Comparative Actual Amounts for the Year Ended June 30, 1998

	<u>1999</u>		Variance	
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)	<u>1998 Actual</u>
<u>Parks and Recreation</u>				
Salaries	\$37,141	\$36,276	\$ 865	\$37,832
Equipment fuel	1,200	1,300	(100)	900
Repairs and supplies	17,000	26,333	(9,333)	18,700
Utilities	6,000	6,094	(94)	6,358
Equipment acquisitions	6,000	4,015	1,985	4,995
Police contract service	500	-	500	340
1-55/Highway 16 Project	10,000	6,523	3,477	-
Walking track repavement	<u>7,500</u>	<u>7,500</u>	-	-
Total Parks and Recreation	<u>\$85,341</u>	<u>\$88,041</u>	<u>\$(2,700)</u>	<u>\$69,125</u>
<u>Intergovernmental (DMV)</u>				
Maintenance and utilities	<u>\$13,000</u>	<u>\$10,042</u>	<u>\$ 2,958</u>	<u>\$ 9,312</u>
Total Intergovernmental (DMV)	<u>\$13,000</u>	<u>\$10,042</u>	<u>\$ 2,958</u>	<u>\$ 9,312</u>
<u>Miscellaneous Programs</u>				
Parish service officer	\$ 700	\$ 684	\$ 16	\$ 684
Coroner	5,000	4,961	39	5,939
Senior citizens	7,000	7,187	(187)	6,242
Planning and zoning	500	(130)	630	176
Animal shelter	9,300	9,300	-	9,300
Nongrant - Trees and Landscaping	5,000	1,605	3,395	4,772
Other miscellaneous programs	500	20	480	233
Repairs to chamber building	<u>2,700</u>	<u>2,831</u>	<u>(131)</u>	<u>31,053</u>
Total Miscellaneous Programs	<u>\$30,700</u>	<u>\$26,458</u>	<u>\$4,242</u>	<u>\$58,399</u>
<u>Main Street</u>				
Main Street manager salary	\$19,200	\$19,200	\$ -	\$19,200
Main Street expenses	7,602	7,691	(89)	6,760
Facade grant expense	8,000	8,000	-	7,617
Capital acquisitions	-	-	-	7,753
Total Main Street	<u>\$34,802</u>	<u>\$34,891</u>	<u>\$ (89)</u>	<u>\$41,330</u>

(Concluded)

## SPECIAL REVENUE FUNDS

---

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 Town Council has dedicated a portion of collections of the sales and use tax as follows:

1. 2.5% of sales and use tax collections to the Economic Development Fund.
2. 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.

Town of Amite City  
Special Revenue Funds

COMBINING BALANCE SHEET

June 30, 1999

With Comparative Totals for June 30, 1998

	<u>Sales Tax</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>Totals</u>
	<u>1999</u>			<u>1998</u>
<u>ASSETS</u>				
Cash	\$104,443	\$191,045	\$234,451	\$348,479
Sales tax receivable	118,807	-	-	101,791
Due from other funds - Sales Tax Fund	-	3,010	-	2,544
General Fund	-	-	-	25,476
<u>Total Assets</u>	<u>\$223,250</u>	<u>\$194,055</u>	<u>\$234,451</u>	<u>\$478,290</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 2,979	\$ -	\$ 2,934
Due to other governmental units	14,851	-	-	12,724
Due to General Fund	-	3,639	-	-
Due to Economic Development Fund	3,010	-	-	2,544
Total Liabilities	<u>17,861</u>	<u>6,618</u>	<u>-</u>	<u>18,202</u>
<u>Fund Balances</u>				
Unreserved				
- designated	-	66,375	-	47,475
- undesignated	<u>205,389</u>	<u>121,062</u>	<u>234,451</u>	<u>412,613</u>
Total Fund Balances	<u>205,389</u>	<u>187,437</u>	<u>234,451</u>	<u>460,088</u>
Total Liabilities and Fund Balances	<u>\$223,250</u>	<u>\$194,055</u>	<u>\$234,451</u>	<u>\$478,290</u>

Town of Amite City  
Special Revenue Funds

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

Year Ended June 30, 1999

With Comparative Totals for Year Ended June 30, 1998

	<u>Sales Tax</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>Totals</u>
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
<u>REVENUES</u>				
Taxes	\$ 1,331,452	\$ -	\$ -	\$ 1,331,452
Interest	6,051	3,046	2,210	11,307
Donations	-	500	-	500
Total revenues	<u>1,337,503</u>	<u>3,546</u>	<u>2,210</u>	<u>1,343,259</u>
<u>Expenditures</u>				
General government	8,654	-	353	9,007
Public safety - fire	165,350	-	-	165,350
Economic development	-	10,613	-	10,613
Total expenditures	<u>174,004</u>	<u>10,613</u>	<u>353</u>	<u>184,970</u>
Excess (deficiency) of revenues over expenditures	1,163,499	(7,067)	1,857	1,031,398
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	-	51,970	110,000	161,970
Operating transfers out	<u>(1,153,070)</u>	<u>-</u>	<u>-</u>	<u>(1,153,070)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	10,429	44,903	111,857	106,418
Fund balances, beginning	<u>194,960</u>	<u>142,534</u>	<u>122,594</u>	<u>353,670</u>
Fund balances, ending	<u>\$ 205,389</u>	<u>\$187,437</u>	<u>\$234,451</u>	<u>\$ 460,088</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, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

	<u>1999</u>		Variance	1998
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>Actual</u>
<u>Revenues</u>				
Taxes - Sales taxes	\$ 1,206,000	\$ 1,331,452	\$125,452	\$1,176,885
Interest	<u>8,000</u>	<u>6,051</u>	<u>(1,949)</u>	<u>11,660</u>
Total revenues	<u>1,214,000</u>	<u>1,337,503</u>	<u>123,503</u>	<u>1,188,545</u>
<u>Expenditures</u>				
General government -				
Collection fees	7,840	8,654	(814)	7,650
Public safety -				
Fire Protection District No. 1	<u>150,750</u>	<u>165,350</u>	<u>(14,600)</u>	<u>146,154</u>
Total expenditures	<u>158,590</u>	<u>174,004</u>	<u>(15,414)</u>	<u>153,804</u>
Excess of revenues over expenditures	<u>1,055,410</u>	<u>1,163,499</u>	<u>108,089</u>	<u>1,034,741</u>
<u>Other Financing (Uses)</u>				
Operating transfers to:				
General Fund	(995,000)	(1,070,000)	(75,000)	(1,026,000)
Economic Development Fund	(29,955)	(33,070)	(3,115)	(29,231)
Water Works Fund	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(27,805)</u>
Total other financing uses	<u>(1,074,955)</u>	<u>(1,153,070)</u>	<u>(78,115)</u>	<u>(1,083,036)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	(19,545)	10,429	29,974	(48,295)
Fund balance, beginning	<u>194,960</u>	<u>194,960</u>	<u>-</u>	<u>243,255</u>
Fund balance, ending	<u>\$ 175,415</u>	<u>\$ 205,389</u>	<u>\$ 29,974</u>	<u>\$ 194,960</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, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

	<u>1999</u>		Variance	1998
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>Actual</u>
<u>Revenues</u>				
Interest	\$ 5,000	\$ 3,046	\$(1,954)	\$ 4,308
Donations	-	500	500	600
Total revenues	<u>5,000</u>	<u>3,546</u>	<u>(1,454)</u>	<u>4,908</u>
<u>Expenditures</u>				
Chamber of Commerce	7,200	7,200	-	5,800
TEDF dues	3,360	2,679	681	2,694
Miscellaneous	200	734	(534)	-
Industrial Park	-	-	-	2,744
Total expenditures	<u>10,760</u>	<u>10,613</u>	<u>147</u>	<u>11,238</u>
Excess (deficiency) of revenues over expenditures	<u>(5,760)</u>	<u>(7,067)</u>	<u>(1,307)</u>	<u>(6,330)</u>
<u>Other Financing Sources</u>				
Operating transfers in:				
Sales Tax Fund	29,300	33,070	3,770	29,231
General Fund	18,900	18,900	-	18,825
Total other financing sources	<u>48,200</u>	<u>51,970</u>	<u>3,770</u>	<u>48,056</u>
Excess (deficiency) of revenues and other financing sources over expenditures	42,440	44,903	2,463	41,726
Fund balance, beginning	<u>142,534</u>	<u>142,534</u>	<u>-</u>	<u>100,808</u>
Fund balance, ending	<u>\$184,974</u>	<u>\$187,437</u>	<u>\$ 2,463</u>	<u>\$142,534</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, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

	<u>1999</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>1998</u> <u>Actual</u>
	<u>Budget</u>	<u>Actual</u>		
<u>Revenues</u>				
Interest	\$ 5,000	\$ 2,210	\$ (2,790)	\$ 2,987
<u>Expenditures</u>				
Engineering	-	353	(353)	-
Capital outlay	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(95,000)</u>	<u>1,857</u>	<u>96,857</u>	<u>2,987</u>
<u>Other Financing Sources</u>				
Operating transfers in:				
General Fund	<u>225,000</u>	<u>110,000</u>	<u>(115,000)</u>	<u>110,000</u>
Total other financing sources	<u>225,000</u>	<u>110,000</u>	<u>(115,000)</u>	<u>110,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures	130,000	111,857	(18,143)	112,987
Fund balance, beginning	<u>122,594</u>	<u>122,594</u>	<u>-</u>	<u>9,607</u>
Fund balance, ending	<u>\$252,594</u>	<u>\$234,451</u>	<u>\$ (18,143)</u>	<u>\$122,594</u>

Town of Amite City, Louisiana

Year 2000 Supplementary Information  
(UNAUDITED)

As of and for the Year Ended June 30, 1999

Time and space saving programming decisions made in prior years resulted in two-digit computer codes that may not directly recognize "00" as the year 2000. Serious processing error or system failure could result. To prevent this error, computer systems and equipment must be re-programmed or replaced to make them year 2000 compliant.

Town of Amite is not significantly dependent on it's computerized systems for essential operations or to provide services to its citizens other than for accounting.

However, in 1999 the Town purchased a new computer for the water billings and received year 2000 fixes from its computer software vendors. The Town had its computers tested and updated the software for year 2000 compatibility.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of any related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Town of Amite City is or will be Year 2000 ready, that the Town's remediation efforts will be successful in whole or in part, or that the systems of those vendors, services providers, or any other third party with whom the Town of Amite City does business with will be year 2000 ready.

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

**L E E   G R A Y**  
CERTIFIED PUBLIC ACCOUNTANT  
601 COURTNEY DRIVE  
P. O. BOX 368  
AMITE, LOUISIANA 70422

MEMBER  
AMERICAN INSTITUTE OF CPAs  
SOCIETY OF LOUISIANA CPAs

PHONE (504) 748-9067  
FAX (504) 748-4370

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

The Honorable 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, 1999, and have issued my report thereon dated October 29, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Amite City, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 99-2, 99-3, and 99-4.

Internal Control Over Financial Reporting


In planning and performing my audit, I considered the Town of Amite City, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could



adversely affect the Town of Amite City, Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings as items 99-1, 99-2, 99-3, and 99-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider item 99-1 to be a material weakness.

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



Certified Public Accountant

October 29, 1999

Town of Amite City  
Schedule of Findings  
Year Ended June 30, 1999

---

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

---

I have audited the financial statements of the Town of Amite City as of and for the year ended June 30, 1999, and have issued my report thereon dated October 29, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 1999, resulted in an unqualified opinion.

Financial Statements

Type of auditor's report issued:	unqualified	
Internal control over financial reporting:		
Material weaknesses identified?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Reportable conditions identified not considered to be material weaknesses?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no

---

**SECTION II - FINANCIAL STATEMENT FINDINGS**

---

This section is used to identify the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements required to be reported under *Government Auditing Standards* (GAGAS).

**Finding No. 99-1**

**Condition** - Lack of segregation of duties

**Criteria** - An adequate system of internal control requires an appropriate segregation of duties consistent with control objectives.

**Effect** - This deficiency could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with management's objectives.

**Cause** - Limited qualified staff in the accounting department. This is a reportable condition and is considered a material weakness in internal control.

Town of Amite City  
Schedule of Findings - Continued

**Recommendation** - 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. No change is recommended.

**Management's Response** - Management concurs with the Auditor's recommendation. No action to be taken.

**Finding No. 99-2**

**Condition** - Failure to comply with the Local Government Budget Act

**Criteria** - State law requires the Town to amend its budget when actual revenues and other sources fail to meet budgeted revenues and other sources and/or actual expenditures and other uses exceed budgeted expenditures and other uses.

**Effect** - The Town failed to amend the budgets of the following funds by an adequate amount:

<u>Fund</u>	<u>Unfavorable Variance</u>	<u>Percent</u>
Revenues:		
Capital Improvements Fund	\$117,790	51.21%
Expenditures:		
Sales Tax Fund	\$92,715	7.56%

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

**Cause** - The Town of Amite City, Louisiana did not comply with certain budget requirements set forth in Louisiana law relating to amending the budgets.

**Recommendation** - The Town should monitor its financial statements at least quarterly and amend the budget as needed.

**Management's Response** - Management concurs with the auditor's recommendation and is currently monitoring the financial statements quarterly and will amend the budgets as needed.

**Finding No. 99-3**

**Condition** - Failure to comply with Public Bid Law

**Criteria** - Louisiana Revised Statute 38:2212 requires that the purchase of individual items or reoccurring charges over \$15,000 be advertised for bids. The advertisement shall be published two times; the first advertisement to appear 15 days before opening of the bids.

Town of Amite City  
Schedule of Findings - Continued

**Effect** - The Town failed to advertise for the purchase of a 1997 Vermeer Chipper costing \$19,687.00. The advertisement was sent to the official journal but was never published.

**Cause** - Administrative personnel failed to verify that the advertisement was actually published in the official journal.

**Recommendation** - Personnel in charge of the bid process should be instructed to examine the official journal to verify that the advertisement was published and to place a copy of the advertisement in the bid folder.

**Management's Response** - Management will require personnel with purchasing authority to comply with the auditor's recommendation.

**Finding No. 99-4**  
**(Repeated No. 98-4)**

**Condition** - Failure to deposit funds daily

**Criteria** - Louisiana Revised Statute, Section 39:1212 requires all funds to be deposited daily, whenever practicable.

**Effect** - The police department failed to deposit cash received from defendants as bond payments on a timely basis. The police department had a practice of retaining possession of cash collected as bonds from defendants until the trial after which, and upon conviction, the cash would be delivered to City Hall. As a result of keeping cash at the police station for an extended time, sometimes for several weeks, in August 1998 it was determined that cash received from four defendants amounting to \$2,004 was missing.

**Cause** - Personnel with the police department failed to comply with daily deposit of funds requirements even though they were made aware of the daily deposit rule by the auditor in prior audits. This is an internal control deficiency and a reportable condition.

**Recommendation** - The responsible person with the Police department be instructed to deposit daily all monies collected by the Amite Police Department. The Town Clerk should monitor these daily deposits and notify the Chief of Police and Mayor if the required deposits are not made timely. The practice of daily deposits has been instituted by the Police department as of June 30, 1999.

**Management's Response** - The Mayor issued a letter dated September 2, 1998, to the Chief of Police requesting that the auditor's recommendation of daily deposits be implemented immediately.

TOWN OF AMITE CITY  
 SCHEDULE OF PRIOR YEAR FINDINGS  
 For the Year Ended June 30, 1999

<b>SECTION 1. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
98-1 Lack of segregation of duties (Initially reported - excess 10 years)	Unresolved - see current year Finding 99-1
98-2 Failure to comply with Local Government Budget Act (Initially reported - FYE 6-30-97)	Unresolved - see current year Finding 99-2
98-3 Failure to comply with Public Bid Law (Initially reported - FYE 6-30-97)	Unresolved - see current year Finding 99-3
98-4 Failure to deposit funds daily (Initially reported - FYE 6-30-98)	Resolved during FYE 6-30-99 - see current year Finding 99-4



TOWN OF AMITE CITY  
 MANAGEMENT'S CORRECTIVE ACTION PLAN  
 For the Year Ended June 30, 1999

<b>SECTION 1. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
Finding Reference No.	Management's Corrective Action Plan
99-1 Lack of segregation of duties	The Town concurs with the auditor's recommendation. No further action to be taken.
99-2 Failure to comply with the Local Government Budget Act	The financial statements of the budgeted funds will be reviewed quarterly and the budgets amended if necessary.
99-3 Failure to comply with Public Bid Law	The Town concurs with the auditor's recommendation. The procedures will be implemented.
99-4 Failure to deposit funds daily	This matter was corrected during the fiscal year. On September 2, 1998, the Mayor issued a letter to the Chief of Police requesting him to implement the auditor's recommendations immediately.

Date Submitted: 12-29-99

Auditee: 