

101-198-11-005

ENC.

(Xerox necessary  
copies from this  
copy and PLACE  
BACK in FILE)

**TOWN OF IOWA, LOUISIANA  
ANNUAL 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 2-2-00

TOWN OF IOWA, LOUISIANA

ANNUAL FINANCIAL REPORT  
Year Ended June 30, 1999

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Title Page	
Table of Contents	2-4
List of Principal Officials	5
FINANCIAL SECTION	
Independent Auditor's Report on the Financial Statements	6-7
Combined Statements-Overview ("Liftable General Purpose Financial Statements):	
Combined Balance Sheet-All Fund Types and Account Groups	9-12
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-All Governmental Fund Types	13-14
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual (Budget Basis)- Governmental Fund Types	15-18
Comparative Statements of Revenues, Expenses, and Changes in Fund Equity-Proprietary Fund Type	19-20
Comparative Statements of Cash Flows-Proprietary Fund Type	21
Notes to Financial Statements	22-35
Financial Statements of Individual Funds:	
General Fund:	
Comparative Balance Sheets	38
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Budget Basis)	39
Statement of Expenditures Compared to Budget (Budget Basis)	40-41
Special Revenue Funds:	
Combining Balance Sheet	43-44
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	45-46
Sales Tax Fund-Water Improvements:	
Comparative Balance Sheets	47
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Budget Basis)	48

	Page
Sales Tax Fund-Streets and Parks:	
Comparative Balance Sheets	49
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Budget Basis)	50
Sales Tax Fund-Streets II:	
Comparative Balance Sheets	51
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual (Budget Basis)	52
Sales Tax Fund-Sales Tax III:	
Comparative Balance Sheet	53
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Budget Basis)	54
Housing Rehabilitation Fund:	
Comparative Balance Sheets	55
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Budget Basis)	56
LCDBG Housing Rehabilitation Fund:	
Comparative Balance Sheets	57
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Budget Basis)	58
Iowa Fire Protection District No. 1 of Calcasieu Parish:	
Comparative Balance Sheets	59
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Budget Basis)	60
Capital Projects Funds:	
Combining Balance Sheet	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	63
Sewer Improvement Project:	
Comparative Balance Sheets	64
Statement of Revenues, Expenditures, and Changes in Fund Balance	65
Sewer and Water Line Extension Project:	
Balance sheet	66
Statement of Revenues, Expenditures, and Changes in Fund Balance	67

	Page
Enterprise Fund:	
Water Utility Fund:	
Comparative Balance Sheets	69
Comparative Statement of Revenues, Expenses, and Changes in Fund Equity	70-71
Comparative Statement of Cash Flows	72
General Fixed Assets Account Group:	
Statement of General Fixed Assets	74
Statement of Changes in General Fixed Assets by Function	75
General Long-Term Debt Account Group:	
Statement of Changes in General Long-Term Debt	77
 SUPPLEMENTARY INFORMATION	
Required Supplementary Information-Year 2000 Supplementary Information	79
Schedule of Expenditures of Federal Awards	80
 INDEPENDENT AUDITOR'S REPORTS ON INTERNAL CONTROL AND COMPLIANCE	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	82-83
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	84-85
Schedule of Findings and Questioned Costs	86-88
Summary Schedule of Prior Audit Findings	89
Summary Schedule of Prior Audit Findings Based on An Audit of Financial Statements Performed in Accordance with Government Auditing Standards	90

TOWN OF IOWA, LOUISIANA

June 30, 1999

**MAYOR**

The Honorable Lawrence Toups, Jr.

**BOARD OF ALDERMEN**

Mr. Calvin Caesar  
Mr. Gerald Guidry  
Mr. Dwayne O'Brien

Mrs. Carol Ponthieux  
Mrs. Amanda Racca

**LEGAL COUNSEL**

Mr. Eugene Bouquet

**TOWN CLERK**

Ms. Sandra Turley

# McELROY, QUIRK & BURCH

*A Professional Corporation • Certified Public Accountants • Since 1925*  
800 Kirby Street • P.O. Box 3070 • Lake Charles, LA 70602-3070  
318 433-1063 • Fax 318 436-6618 • E-mail: mqb@iamerica.net  
F:\CLIENTS\04001-05000\04318-0\1999\Financial Statement\16-30-99.wpd

Carl W. Comeaux, CPA  
Barbara Hurson Gonzales, CPA  
Judson J. McCann Jr., CPA  
Martin L. Chelotsky, CPA, CFE  
Robert M. Gani, CPA  
Tina L. Demarest, CPA



Mollie C. Broussard, CPA

Charles P. Quirk, CPA  
Otway J. Woods Jr., CPA  
Robert E. Cargile, CPA  
William A. Mancuso, CPA

Charles L. McElroy, CPA (1917-1997)  
Patrick J. Reddin, CPA (1926-1995)  
Frank D. Burch, CPA (1921-1991)

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen  
Town of Iowa  
Iowa, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Iowa, Louisiana, and the combining, individual fund and account group financial statements of the Town as of June 30, 1999, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Iowa, Louisiana at June 30, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of Iowa, Louisiana at June 30, 1999, and the results of operations of such funds and the cash flows of the individual proprietary fund for the year then ended in conformity with generally accepted accounting principles.

The Year 2000 supplementary information on page 79 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and the presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Town of Iowa is or will become Year 2000 compliant, that the Town's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town does business are or will become Year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 3, 1999, on our consideration of the Town of Iowa's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Town of Iowa, Louisiana, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*McElroy, Quirk & Burch*

Lake Charles, Louisiana  
November 3, 1999

COMBINED STATEMENTS - OVERVIEW  
("LIFTABLE" GENERAL PURPOSE  
FINANCIAL STATEMENTS)



TOWN OF IOWA, LOUISIANA

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

<u>ASSETS</u>	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Cash	\$ 95,709	\$ 353,501	\$ 1
Certificates of deposit	-	732,298	115,196
Investments	125,387	801,792	-
Due from other funds	-	96,957	-
Receivables (net, where applicable, of allowance for uncollectibles):			
Taxes	1,317	30	-
Accounts	25,345	-	-
Intergovernmental	-	6,054	-
Grants	-	38,589	98,103
Prepaid expenses	-	-	-
Deposits	-	-	-
Restricted assets:			
Customers' deposits-cash	18,276	-	-
Cafeteria plan escrow-cash	490	-	-
Construction deposit	50,000	-	-
Fixed assets (net of accumulated depreciation)	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
<b>Total assets</b>	<b>\$ 316,524</b>	<b>\$ 2,029,221</b>	<b>\$ 213,300</b>

Proprietary Fund Type Enterprise	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	1999	1998
\$ 52,326	\$ -	\$ -	\$ 501,537	\$ 407,534
-	-	-	847,494	807,427
-	-	-	927,179	747,766
4,252	-	-	101,209	76,052
-	-	-	1,347	715
19,040	-	-	44,385	44,378
-	-	-	6,054	7,889
-	-	-	136,692	2,911
3,142	-	-	3,142	323
100	-	-	100	100
13,494	-	-	31,770	27,007
-	-	-	490	538
-	-	-	50,000	-
1,172,707	3,786,900	-	4,959,607	4,375,642
-	-	861,439	861,439	957,117
<u>\$ 1,265,061</u>	<u>\$ 3,786,900</u>	<u>\$ 861,439</u>	<u>\$ 8,472,445</u>	<u>\$ 7,455,399</u>

(continued on next page)

TOWN OF IOWA, LOUISIANA

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

<u>LIABILITIES</u>	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Accounts payable	\$ 12,694	\$ 31,542	\$ 98,103
Accrued interest	38,780	-	-
Payable from restricted assets:			
Customer deposits	18,276	-	-
Cafeteria plan escrow account	789	-	-
Construction deposit payable	50,000	-	-
Note payable	-	-	-
Certificate of indebtedness	-	-	-
Other payables	1,027	-	-
Due to other funds	<u>27,141</u>	<u>62,388</u>	<u>-</u>
Total liabilities	<u>148,707</u>	<u>93,930</u>	<u>98,103</u>
 <u>FUND EQUITY</u>			
Contributed capital	-	-	-
Investment in general fixed assets	-	-	-
Retained earnings	-	-	-
Fund balance:			
Unreserved-undesignated (deficit)	<u>167,817</u>	<u>1,935,291</u>	<u>115,197</u>
Total retained earnings/fund balance	<u>167,817</u>	<u>1,935,291</u>	<u>115,197</u>
Total fund equity	<u>167,817</u>	<u>1,935,291</u>	<u>115,197</u>
Total liabilities and fund equity	<u>\$ 316,524</u>	<u>\$ 2,029,221</u>	<u>\$ 213,300</u>

See accompanying notes to financial statements

Proprietary Fund Type Enterprise	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	1999	1998
	\$ 2,574	\$ -	\$ -	\$ 144,913
-	-	-	38,780	16,048
13,494	-	-	31,770	27,007
-	-	-	789	810
-	-	-	50,000	-
-	-	22,439	22,439	35,117
-	-	839,000	839,000	922,000
-	-	-	1,027	2,348
<u>11,680</u>	<u>-</u>	<u>-</u>	<u>101,209</u>	<u>76,052</u>
<u>27,748</u>	<u>-</u>	<u>861,439</u>	<u>1,229,927</u>	<u>1,100,306</u>
410,868	-	-	410,868	429,400
-	3,786,900	-	3,786,900	3,184,635
826,445	-	-	826,445	815,688
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,218,305</u>	<u>1,925,370</u>
<u>826,445</u>	<u>-</u>	<u>-</u>	<u>3,044,750</u>	<u>2,741,058</u>
<u>1,237,313</u>	<u>3,786,900</u>	<u>-</u>	<u>7,242,518</u>	<u>6,355,093</u>
<u>\$ 1,265,061</u>	<u>\$ 3,786,900</u>	<u>\$ 861,439</u>	<u>\$ 8,472,445</u>	<u>\$ 7,455,399</u>

TOWN OF IOWA, LOUISIANA

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>Capital Projects</u>
Revenues:			
Taxes	\$ 327,547	\$ 902,216	\$ -
Licenses and permits	93,358	-	-
Intergovernmental	4,323	2,891	-
Charges for services	253,150	-	-
Fines and forfeits	15,884	-	-
Interest earned	9,574	72,680	4,827
Fire insurance	-	6,053	-
Contributions received	-	-	-
Grants received	19,807	52,418	488,108
Miscellaneous	5,185	4,316	-
Total revenues	<u>728,828</u>	<u>1,040,574</u>	<u>492,935</u>
Expenditures:			
Current:			
General government	159,941	35,597	-
Public safety	302,361	-	-
Highways and streets	19,645	208,037	-
Culture and recreation	2,272	82,792	-
Sanitation	189,629	-	488,108
Fire Protection District	-	72,892	-
Housing rehabilitation expenditures	-	36	-
Other services and charges	-	40,671	-
Debt service:			
Principal retirements	83,000	12,678	-
Interest paid	46,889	2,085	-
Total expenditures	<u>803,737</u>	<u>454,788</u>	<u>488,108</u>
Excess (deficiency) of revenues over expenditures	<u>(74,909)</u>	<u>585,786</u>	<u>4,827</u>
Other financing sources (uses):			
Operating transfers in	101,752	-	-
Operating transfers out	<u>(3,847)</u>	<u>(320,674)</u>	<u>-</u>
Total other financing sources (uses)	<u>97,905</u>	<u>(320,674)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	22,996	265,112	4,827
Fund balance at beginning of year	<u>144,821</u>	<u>1,670,179</u>	<u>110,370</u>
Fund balance at end of year	<u>\$ 167,817</u>	<u>\$ 1,935,291</u>	<u>\$ 115,197</u>

See accompanying notes to financial statements

<u>Totals (Memorandum Only)</u>	
<u>1999</u>	<u>1998</u>
\$ 1,229,763	\$ 1,256,055
93,358	90,857
7,214	5,916
253,150	247,569
15,884	22,040
87,081	90,502
6,053	5,738
-	250
560,333	778,326
9,501	25,597
<u>2,262,337</u>	<u>2,522,850</u>
195,538	324,155
302,361	327,362
227,682	300,267
85,064	68,221
677,737	1,236,415
72,892	58,579
36	600,176
40,671	28,758
95,678	151,250
<u>48,974</u>	<u>54,623</u>
<u>1,746,633</u>	<u>3,149,806</u>
<u>515,704</u>	<u>(626,956)</u>
101,752	169,033
<u>(324,521)</u>	<u>(328,123)</u>
<u>(222,769)</u>	<u>(159,090)</u>
292,935	(786,046)
<u>1,925,370</u>	<u>2,711,416</u>
<u>\$ 2,218,305</u>	<u>\$ 1,925,370</u>

TOWN OF IOWA, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES-BUDGET AND ACTUAL (BUDGET BASIS)-GOVERNMENTAL FUND TYPES  
Year Ended June 30, 1999

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 320,703	\$ 327,547	\$ 6,844
Licenses and permits	93,262	93,358	96
Intergovernmental	-	4,323	4,323
Charges for services	190,718	253,150	62,432
Fines and forfeits	15,884	15,884	-
Interest earned	8,047	9,574	1,527
Fire insurance	-	-	-
Contributions received	-	-	-
Grants received	19,807	19,807	-
Miscellaneous	8,310	5,185	(3,125)
Total revenues	<u>656,731</u>	<u>728,828</u>	<u>72,097</u>
Expenditures:			
Current:			
General government	167,275	158,601	8,674
Public safety	308,606	301,876	6,730
Highways and streets	19,645	19,645	-
Culture and recreation	2,272	2,272	-
Sanitation	185,064	179,341	5,723
Fire Protection District	-	-	-
Housing rehabilitation expenditures	-	-	-
Other services and charges	-	-	-
Debt service:			
Principal retirements	83,000	83,000	-
Interest paid	8,109	8,109	-
Total expenditures	<u>773,971</u>	<u>752,844</u>	<u>21,127</u>
Excess (deficiency) of revenues over expenditures (budget basis)	<u>(117,240)</u>	<u>(24,016)</u>	<u>93,224</u>
Other financing sources (uses):			
Operating transfers in (out)	100,129	97,905	(2,224)
Appropriation of prior year's fund balance	17,111	-	(17,111)
Total other financing sources (uses)	<u>117,240</u>	<u>97,905</u>	<u>(19,335)</u>

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 904,389	\$ 902,186	\$ (2,203)
-	-	-
3,215	2,891	(324)
-	-	-
-	-	-
69,974	72,680	2,706
11,477	5,738	(5,739)
-	-	-
16,239	13,828	(2,411)
4,458	4,316	(142)
<u>1,009,752</u>	<u>1,001,639</u>	<u>(8,113)</u>
10,439	35,597	(25,158)
-	-	-
203,018	208,037	(5,019)
64,400	67,050	(2,650)
-	-	-
49,460	60,111	(10,651)
2,727	36	2,691
19,368	38,739	(19,371)
15,000	12,678	2,322
-	2,085	(2,085)
<u>364,412</u>	<u>424,333</u>	<u>(59,921)</u>
<u>645,340</u>	<u>577,306</u>	<u>(68,034)</u>
(367,614)	(320,674)	46,940
<u>32,733</u>	<u>-</u>	<u>(32,733)</u>
<u>(334,881)</u>	<u>(320,674)</u>	<u>14,207</u>

(continued on next page)



TOWN OF IOWA, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES-BUDGET AND ACTUAL (BUDGET BASIS)-GOVERNMENTAL FUND TYPES  
Year Ended June 30, 1999  
(Continued)

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses (budget basis)	<u>\$ -</u>	<u>73,889</u>	<u>\$ 73,889</u>
Adjustments: (Note 14)			
Accrued revenue		-	
Accrued expenditures		<u>(50,893)</u>	
Total adjustments budget to GAAP basis		<u>(50,893)</u>	
Excess of revenues and other financial sources over expenditures and other uses (GAAP basis)		22,996	
Fund balance at beginning of year		<u>144,821</u>	
Fund balance at end of year		<u>\$ 167,817</u>	

See accompanying notes to financial statements

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>\$ 310,459</u>	<u>256,632</u>	<u>\$ (53,827)</u>
	38,935	
	<u>(30,455)</u>	
	<u>8,480</u>	
	265,112	
	<u>1,670,179</u>	
	<u>\$ 1,935,291</u>	

TOWN OF IOWA, LOUISIANA

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
FUND EQUITY - PROPRIETARY FUND TYPE  
Years Ended June 30, 1999 and 1998

	<u>Enterprise Fund</u>	
	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services	\$ <u>158,321</u>	\$ <u>152,527</u>
Operating expenses:		
Salaries	130,141	112,850
Payroll taxes	13,318	8,216
Insurance	19,484	28,155
Repairs, maintenance and supplies	49,995	33,905
Utilities	18,579	17,645
Depreciation	140,984	134,961
Other services and charges	<u>17,308</u>	<u>16,236</u>
Total operating expenses	<u>389,809</u>	<u>351,968</u>
Operating (loss)	<u>(231,488)</u>	<u>(199,441)</u>
Nonoperating revenues:		
Interest earned	864	1,109
Miscellaneous revenues	<u>80</u>	<u>1,845</u>
Total nonoperating revenues	<u>944</u>	<u>2,954</u>
(Loss) before operating transfers	(230,544)	(196,487)
Operating transfers:		
Operating transfers in	<u>222,769</u>	<u>159,090</u>
Net income (loss)	(7,775)	(37,397)
Add depreciation on fixed assets acquired with contributed capital	<u>18,532</u>	<u>18,533</u>
Increase (decrease) in retained earnings	10,757	(18,864)
Retained earnings at beginning of year	<u>815,688</u>	<u>834,552</u>
Retained earnings at end of year	<u>826,445</u>	<u>815,688</u>

(continued on next page)

## TOWN OF IOWA, LOUISIANA

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
 FUND EQUITY - PROPRIETARY FUND TYPE  
 Year Ended June 30, 1999 and 1998  
 (Continued)

	Enterprise Fund	
	1999	1998
Retained earnings at end of year	826,445	815,688
Contributed capital-general fund:		
Balance at beginning of year	32,067	33,933
Less depreciation on water lines	(1,865)	(1,866)
Balance at end of year	30,202	32,067
Contributed capital-community development block grant:		
Balance at beginning of year	397,333	414,000
Less depreciation on water tower	(16,667)	(16,667)
Balance at end of year	380,666	397,333
Total contributed capital-end of year	410,868	429,400
Total fund equity-end of year	\$ 1,237,313	\$ 1,245,088

See accompanying notes to financial statements

TOWN OF IOWA, LOUISIANA

COMPARATIVE STATEMENTS OF CASH FLOWS  
 PROPRIETARY FUND TYPE  
 Years Ended June 30, 1999 and 1998

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>1999</u>	<u>1998</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 160,358	\$ 152,127
Cash payments to suppliers for goods and services	(108,521)	(110,223)
Cash payments to employees	<u>(143,459)</u>	<u>(121,066)</u>
Net cash (used in) operating activities	<u>(91,622)</u>	<u>(79,162)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Miscellaneous revenue	80	1,845
Operating transfer from other funds (net)	222,769	159,090
Interfund payable increase (decrease)	<u>3,306</u>	<u>(266)</u>
Net cash provided by noncapital financing activities	<u>226,155</u>	<u>160,669</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Payments for capital acquisitions	<u>(122,683)</u>	<u>(76,235)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts of interest	<u>864</u>	<u>1,109</u>
Net increase in cash and cash equivalents	12,714	6,381
Cash and cash equivalents:		
Beginning of year	<u>53,106</u>	<u>46,725</u>
End of year	<u>\$ 65,820</u>	<u>\$ 53,106</u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES</b>		
Operating (loss)	\$ (231,488)	\$ (199,441)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation	140,984	134,961
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	83	(659)
Increase decrease in prepaid expenses	(2,819)	1,280
Increase (decrease) in accounts payable and other payables	<u>1,618</u>	<u>(15,303)</u>
Net cash (used in) operating activities	<u>\$ (91,622)</u>	<u>\$ (79,162)</u>

See accompanying notes to financial statements

TOWN OF IOWA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

The Town of Iowa, Louisiana was incorporated June 26, 1952, under the provisions of the Lawrason Act. The Town operates under a Mayor-Town Council form of government.

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

The following is a summary of certain significant accounting policies.

A. Financial Reporting Entity

The accompanying financial statements include the various departments, activities, and organizational units that are within the control and authority of the Mayor and Town Council of the Town of Iowa, Louisiana. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board. This statement defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Consistent with this criteria, the Town of Iowa, Louisiana has determined that the Iowa Fire Protection District No. 1 of Calcasieu Parish is a component unit of the Town.

B. Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate

set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

#### GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - These funds account for all financial resources segregated for the acquisition or construction of major general government capital projects.

#### PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - 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 periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

#### ACCOUNT GROUPS

General Fixed Assets - The general fixed assets account group accounts for all fixed assets acquired or constructed for use by the Town, other than those accounted for in the proprietary fund.

General Long-Term Debt - The general long-term debt account group accounts for long-term obligations not recorded in the proprietary fund.

### C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using a financial resources measurement focus whereby only current assets and current liabilities generally are included on the balance sheet and increases or decreases in net current assets are presented in the operating statements. These funds utilize the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Certain revenues such as sales tax, property tax, and charges for services are assessed and collected in such a manner that they can be accrued appropriately. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for principal and interest on general long-term debt which are recognized when due. Also, expenditures for accrued compensated absences are not recognized until they are payable from current available financial resources.

The proprietary fund is accounted for and reported using a flow of economic resources measurement focus. This means that all assets and liabilities associated with the operation of these funds are included on the balance sheet and fund equity consists of contributed capital and retained earnings. The operating statements for the proprietary fund presents increases or decreases in net total assets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the General Fixed Asset Account Group. The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.



The Governmental Accounting Standards Board (GASB) Statement Number 20 (effective for financial statements for periods beginning after December 15, 1993) provides guidance on accounting and financial reporting for proprietary fund types and allows proprietary fund types to choose one of two options in applying pronouncements issued by the Financial Accounting Standards Board (FASB) after November 30, 1989. The Town of Iowa has elected to use the first option for reporting its activities. This approach applies all GASB pronouncements and FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Changes to FASB statements and interpretations, APB Opinions and ARBs issued after November 30, 1989, would not apply unless adopted by GASB.

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

#### D. Budgets and Budgetary Accounting

The Mayor and Town Clerk prepare a proposed budget and submit same to the Town Council prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and the means of financing them.

A summary of the proposed budget is published, a public hearing is held, and the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is adopted.

Any revisions that alter total expenditures of any fund must be approved by the Councilmen. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. All budgetary appropriations lapse at the end of each fiscal year.

Budgets for the General and Special Revenue Funds are adopted on a cash basis of accounting. Budgeted amounts are as originally adopted, or as amended by the Town Council.

During the year ended June 30, 1999, budgeted amounts for revenues and other financing sources were decreased approximately \$1,350,147 and expenditures and other financing uses decreased approximately \$1,657,222. The major part of these changes is represented by decreases in taxes collected and decreases in capital outlay from those amounts originally budgeted.

Encumbrance accounting is not used.

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits and certificates of deposit. Certificates of deposit are stated at cost.

Louisiana State Statutes, as stipulated in R.S. 39:1271, authorize the Town to invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost.

F. Property Taxes

Property taxes levied in any one year are recognized as revenues of that year.

G. Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables 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 receivable.

H. Fixed Assets

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Twenty-four thousand nine hundred and twenty-five dollars (\$24,925) of fixed assets in the General Fixed Asset Account Group are stated at estimated historical cost. These costs were estimated based on price levels at the estimated date of acquisition. Donated fixed assets of \$10,300 are recorded at their estimated fair value at time of acquisition.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against operations. Accumulated depreciation is reported on the proprietary fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Plant	10-33 years
Furniture, fixtures and equipment	5-10 years

Depreciation recorded in the proprietary fund on fixed assets acquired with contributed capital from grants externally restricted for capital acquisitions and construction has been closed to contributed capital.

I. Accumulated Unpaid Sick Pay

Accumulated unpaid sick pay was not considered material at June 30, 1999 and is not reflected in these financial statements.

J. Cash Equivalents

For purposes of the statement of cash flows, the Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. During the year the Town had no cash equivalents held by the Enterprise Fund.

K. Comparative Data

Comparative total data for the prior year has been presented in the accompanying 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.

L. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview 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.

Note 2. Cash, Cash Equivalents and Investments

In accordance with a fiscal agency agreement which is approved by the Town Council, the Town of Iowa maintains demand and time deposits through local depository banks which are members of the Federal Reserve System.

Deposits in excess of federally insured amounts are required by Louisiana state statute to be protected by collateral of equal market value. Authorized collateral includes general obligations of the U.S. government, obligations issued or guaranteed by an agency established by the U.S. government, general obligation bonds of any state of the U.S., or of any Louisiana parish, municipality, or school district.

The Town's bank demand and time deposits at year end were entirely covered by federal depository insurance or by pledge of securities owned by the financial institution in the Town's name.

The following chart presents bank balances as of June 30, 1999 and 1998. The deposits are listed in terms of risk involved. Category 1 represents those deposits insured (inclusive of FDIC) or collateralized with securities held by the Town or its agent in the Town's name. Category 2 represents deposits collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name. Category 3 represents deposits uncollateralized including any securities held for the entity but not in the Town's name.

	Bank Balances			Total Bank Balances	Carrying Amount
	Category				
	1	2	3		
June 30, 1999					
Cash and demand deposits	\$ 200,000	\$ 469,965	\$ -	\$ 669,965	\$ 533,797
Certificates of deposit	-	847,494	-	847,494	847,494
Total	<u>\$ 200,000</u>	<u>\$ 1,317,459</u>	<u>\$ -</u>	<u>\$ 1,517,459</u>	<u>\$ 1,381,291</u>

	Bank Balances			Total Bank Balances	Carrying Amount
	Category				
	1	2	3		
June 30, 1998					
Cash and demand deposits	\$ 200,000	\$ 359,067	\$ -	\$ 559,067	\$ 435,079
Certificates of deposit	-	807,427	-	807,427	807,427
Total	<u>\$ 200,000</u>	<u>\$ 1,166,494</u>	<u>\$ -</u>	<u>\$ 1,366,494</u>	<u>\$ 1,242,506</u>

Investments held at June 30, 1999, consist of \$977,179 in the Louisiana Asset Management Pool Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). LAMP investments at June 30, 1998 totaled \$747,766. In accordance with GASB Codification Section 150.165 the investment in LAMP at June 30, 1999, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Note 3. Individual Fund Interfund Receivables and Payables

Individual fund interfund receivables and payables are as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ -	\$ 27,141
Sales Tax Fund-Water Improvements	71,060	-
Sales Tax Fund-Streets and Parks	5,783	-
Sales Tax Fund-Streets II	18,927	-
Sales Tax Fund-Sales Tax III	-	62,388
Iowa Fire Protection District No. 1 of Calcasieu Parish	1,187	-
Water Utility Fund	<u>4,252</u>	<u>11,680</u>
	<u>\$ 101,209</u>	<u>\$ 101,209</u>

Note 4. Ad Valorem Taxes

For the year ended June 30, 1999, taxes of 5.35 mills were levied by the Town of Iowa on property with assessed valuations totaling \$7,013,580 and were dedicated for general corporate purposes. Taxes of 9.08 mills were levied by the Iowa Fire Protection District No. 1 of Calcasieu Parish on property with assessed valuations totaling \$5,441,880 and were dedicated for the purpose of providing fire protection to the District.

Total taxes levied were \$37,523 and \$49,412, respectively for the Town and the District. Taxes receivable at June 30, 1999 and 1998 consisted of the following:

	<u>1999</u>	<u>1998</u>
Taxes receivable current roll	\$ 872	\$ 350
Taxes receivable prior years	<u>4,494</u>	<u>4,245</u>
	5,366	4,595
Allowance for uncollectible taxes	<u>4,019</u>	<u>3,880</u>
	<u>\$ 1,347</u>	<u>\$ 715</u>

Property taxes are levied November 1 and attach as an enforceable lien on property as of April 30.

Note 5. Restricted Assets

Restricted assets were applicable to the following at June 30:

	<u>1999</u>	<u>1998</u>
General Fund:		
Customers deposits-garbage and trash and sewer maintenance services	\$ 18,276	\$ 15,467
Cafeteria plan escrow	490	538
Construction deposit	50,000	-
Enterprise Fund:		
Customers deposits-water services	13,494	11,540

Note 6. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance <u>7-1-98</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6-30-99</u>
Building	\$ 676,182	\$ -	\$ -	\$ 676,182
Land	134,670	-	-	134,670
Improvements other than buildings	1,590,635	45,936	-	1,636,571
Furniture and equipment	384,527	61,156	-	445,683
Vehicles	398,621	19,941	-	418,562
Construction in progress	<u>-</u>	<u>475,232</u>	<u>-</u>	<u>475,232</u>
	<u>\$ 3,184,635</u>	<u>\$ 602,265</u>	<u>\$ -</u>	<u>\$ 3,786,900</u>

A summary of proprietary fund type property, plant and equipment at June 30, 1999 and 1998 follows:

	Enterprise <u>Water Utility Fund</u>	
	<u>1999</u>	<u>1998</u>
Land	\$ 4,002	\$ 4,002
Plant and equipment	2,301,863	2,179,179
Machinery	57,502	57,502
Furniture and fixtures	<u>6,360</u>	<u>6,360</u>
Total	2,369,727	2,247,043
Less accumulated depreciation	<u>1,197,020</u>	<u>1,056,036</u>
Net	<u>\$ 1,172,707</u>	<u>\$ 1,191,007</u>

Note 7. Long-Term Debt

In July, 1994, the Town entered into a Joint Services Agreement with the Iowa Fire Protection District No. 1 of Calcasieu parish in connection with the District's purchase of a new pumper fire truck. The District executed a promissory note in the amount of \$85,000 with the Calcasieu Marine National Bank, on June 1, 1995, to obtain the additional amount needed to purchase the fire truck and its equipment.

The Town entered into a Joint Services Agreement with the Calcasieu Parish Police Jury on June 7, 1990 for the reconstruction of South Thompson Road. The Town's total share of the cost of the project amounted to \$31,455. This project will be funded by the Calcasieu Parish Police Jury general alimony tax revenue.

Long-term debt is comprised of the following:

	<u>Balance</u> <u>6-30-99</u>	<u>Balance</u> <u>6-30-98</u>
<p>Note payable to Calcasieu Marine National Bank in the original amount of \$85,000; dated June 1, 1995; bearing an interest rate of 5% fixed, payable in 5 equal annual installment payments consisting of principal and interest, in the amount of \$14,692.34 each, commencing on June 1, 1996 and continuing on the first day of each successive year thereafter, and one final installment payment consisting of the full amount of principal and interest remaining due on June 1, 2001. This note is secured by security interest in one 1995 Freightline Ferrara commercial pump fire truck and a continuing security interest in all deposits and certificates of deposit of the Iowa Fire Protection District No. 1 of Calcasieu Parish</p>	\$ 22,439	\$ 35,117
<p>Town of Iowa State of Louisiana Certificate of Indebtedness Series 1997 in the original amount of \$1,000,000; dated March 27, 1997; bearing interest at 5.25% fixed, and payable in 20 semi-annual payments beginning September 1, 1997 and ending March 1, 2007. This note is secured by the dedication of the Town's excess revenues above statutory, necessary and usual charges</p>	<u>839,000</u>	<u>922,000</u>
	<u>\$ 861,439</u>	<u>\$ 957,117</u>

Summary of changes in general long-term debt:

	<u>Balance</u> <u>7-1-98</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6-30-99</u>
Notes payable	\$ 35,117	\$ -	\$ 12,678	\$ 22,439
Certificate of indebtedness	<u>922,000</u>	<u>-</u>	<u>83,000</u>	<u>839,000</u>
	<u>\$ 957,117</u>	<u>\$ -</u>	<u>\$ 95,678</u>	<u>\$ 861,439</u>



The annual requirements to amortize all general obligation debt outstanding as of June 30, 1999 including interest of \$209,811, are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation</u>
2000	\$ 147,740
2001	140,402
2002	132,545
2003	132,400
2004 and thereafter	518,163

Note 8. Dedication of Proceeds and Flow of Funds - 2.5% Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the Town of Iowa, Louisiana (1998 collections \$396,742; 1998 \$413,895 are dedicated to the following purposes:

1. 80% of collections to be used for capital and other improvements of the Water Utility Fund.
2. 20% of collections to be used for improvements to the Town's streets and parks.

Proceeds of a 1% sales and use tax levied by the Town of Iowa, Louisiana approved by voters May, 1998 to expire April, 2007 (1999 collections \$396,742; 1998 \$413,895) are dedicated to the following purposes:

1. 65% of collections to be used for street, sidewalk, street lighting maintenance and construction, and sewerage treatment facilities maintenance and construction.
2. 35% of collections to be used for general administrative and general fund needs.

Proceeds of a 1/2% sales and use tax levied by the Town of Iowa, Louisiana approved by voters to begin July 1, 1992, for a period of ten years (1999 collections \$198,371; 1998 \$206,947) are dedicated to the following purposes:

1. Flood control maintenance and flood control purposes.
2. Economic development activities.
3. Capital improvements and maintenance to the Town Hall and Town Park.

Note 9. Grants Received

During the year, grants received by the Town included the following:

Louisiana Community Development Block Grant	\$ 488,108
Louisiana Rural Development Grants	19,807
Calcasieu Parish Police Jury	<u>52,418</u>
Total grants received	<u>\$ 560,333</u>

Note 10. Retirement Commitments

Municipal Police Employee's Retirement System

*Plan description:*

The Town of Iowa contributes to the Municipal Police Employees' Retirement System, a cost-sharing multiple-employer plan administered by the Municipal and State Police Employee's Retirement System of Louisiana. The Municipal Police Employees' Retirement System was established as of July 1, 1973, by Act 189 of the 1973 and amended by RS 33:2371 of the 1986 session to become Municipal and State Police Retirement System of Louisiana. The system is a state retirement system which was created to provide retirement benefits for full time municipal police officers in Louisiana, and state police officers hired after January 1, 1987. The System is administered by a Board of Trustees of the Retirement Committee of the House of Representatives and the Chairman of the Senate Finance Committee, or their designees, to serve as voting ex-officio members of the Board. Historical trend information for this plan is included in the separately issued report for the Municipal Police Employee's Retirement System for the period ended June 30, 1998.

*Funding policy:*

Plan members are required to contribute 7.5% of their annual covered salary and the Town of Iowa is required to contribute at a statutorily determined rate. The current rate is 9% of annual covered payroll. The contribution requirements of plan members and the Town of Iowa are established and may be amended by the Board of Trustees. The Town of Iowa's contributions to the Municipal Police Employees' Retirement System for the years ending June 30, 1999, 1998, and 1997 were \$13,316, \$16,767, and \$16,470, respectively, equal to the required contributions for each year.

Note 11. Excess of Expenditures Over Appropriations

Expenditures and other financing uses for the current year exceeded appropriations for the following funds:

	<u>Budget</u>	<u>Actual</u>	Variance (Unfavorable)
Special Revenue Funds:			
Sales Tax Fund-Parks and Streets	\$ 64,400	\$ 67,050	\$ (2,650)
Sales Tax Fund-Streets II	299,211	301,515	(2,304)
Iowa Fire Protection District No. 1	64,460	74,874	(10,414)
Sales Tax Fund-Sales Tax III	46,220	75,200	(28,980)

Note 12. Compensation of Mayor and Board of Aldermen

Salaries paid to the Mayor and Aldermen during the year are as follows:

Lawrence Toups, Jr., Mayor	\$ 9,600
Calvin Caesar	900
Joseph O. Chatagnier	450
Gerald Guidry	900
Dwayne O'Brien	900
Carol Ponthieux	450
Amanda Racca	900

The Board members of the Iowa Fire Protection District No. 1 of Calcasieu Parish received no compensation during the year ended June 30, 1999.

Note 13. Budgetary - GAAP Reporting Reconciliation

The accompanying Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual (Budget Basis)-Governmental Fund Types presents comparisons of the legally adopted budget (more fully described in Note 1) with actual data on a budgetary basis. Because the accounting principles (cash basis) applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), reconciliations of resultant basis and perspective differences in net income for the year ended June 30, 1999 are presented on the budgetary comparison statement.

**FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS  
AND ACCOUNT GROUPS**

## **GENERAL FUND**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund. The Garbage and Trash and Sewer Maintenance funds are accounted for in this fund.

TOWN OF IOWA, LOUISIANA  
GENERAL FUND

COMPARATIVE BALANCE SHEETS  
June 30, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Cash	\$ 95,709	\$ 49,642
Investments	125,387	127,908
Receivables:		
Ad valorem taxes (net of allowance for uncollectible taxes 1999 \$4,019; 1998 \$3,880)	1,317	649
Accounts (net of allowance for uncollectible amounts 1999 \$6,868; 1998 \$4,291)	25,345	27,790
Intergovernmental	-	1,187
Restricted assets:		
Customers' deposits-cash	18,276	15,467
Cafeteria plan-cash	490	538
Construction deposit	<u>50,000</u>	<u>-</u>
Total assets	<u>\$ 316,524</u>	<u>\$ 223,181</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ 12,694	\$ 17,110
Due to other funds	27,141	26,951
Accrued interest	38,780	16,048
Payable from restricted assets:		
Customer's deposits	18,276	15,467
Cafeteria plan escrow	789	810
Construction deposit payable	50,000	-
Other payables	<u>1,027</u>	<u>1,974</u>
Total liabilities	148,707	78,360
Fund balance:		
Unreserved-undesignated	<u>167,817</u>	<u>144,821</u>
Total liabilities and fund equity	<u>\$ 316,524</u>	<u>\$ 223,181</u>

TOWN OF IOWA, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (BUDGET BASIS)  
Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 320,703	\$ 327,547	\$ 6,844
Licenses and permits	93,262	93,358	96
Intergovernmental	-	4,323	4,323
Charges for services	190,718	253,150	62,432
Fines and forfeits	15,884	15,884	-
Interest earned	8,047	9,574	1,527
Grants received	19,807	19,807	-
Miscellaneous	<u>8,310</u>	<u>5,185</u>	<u>(3,125)</u>
Total revenues	<u>656,731</u>	<u>728,828</u>	<u>72,097</u>
<b>Expenditures:</b>			
Current:			
General government	167,275	158,601	8,674
Public safety	308,606	301,876	6,730
Highways and streets	19,645	19,645	-
Culture and recreation	2,272	2,272	-
Sanitation	185,064	179,341	5,723
Debt service:			
Principal retirements	83,000	83,000	-
Interest paid	<u>8,109</u>	<u>8,109</u>	<u>-</u>
Total expenditures	<u>773,971</u>	<u>752,844</u>	<u>21,127</u>
Excess (deficiency) of revenues over expenditures (budget basis)	<u>(117,240)</u>	<u>(24,016)</u>	<u>93,224</u>
<b>Other financing sources (uses):</b>			
Appropriation of prior year's fund balance	17,111	-	(17,111)
Operating transfers in	124,839	101,752	(23,087)
Operating transfers out	<u>(24,710)</u>	<u>(3,847)</u>	<u>20,863</u>
Total other financing sources (uses)	<u>117,240</u>	<u>97,905</u>	<u>(19,335)</u>
Excess of revenues and other financing sources over expenditures and other uses (budget basis)	<u>\$ -</u>		<u>\$ 73,889</u>
<b>Adjustments: (Note 14)</b>			
Accrued expenditures		<u>(50,893)</u>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses (GAAP basis)		22,996	
Fund balance at beginning of year		<u>144,821</u>	
Fund balance at end of year		<u>\$ 167,817</u>	

TOWN OF IOWA, LOUISIANA  
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (BUDGET BASIS)  
Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
General government:			
Mayor's and aldermen's salaries	\$ 15,275	\$ 14,100	\$ 1,175
Other salaries	42,703	38,184	4,519
Payroll taxes	6,326	5,407	919
Advertising	74	74	-
Audit and accounting	15,581	15,581	-
Dues and subscriptions	1,782	1,782	-
Insurance	11,193	7,073	4,120
Legal and other services	23,139	24,425	(1,286)
Election expense	106	106	-
Miscellaneous	4,364	7,032	(2,668)
Repairs and maintenance	1,011	1,011	-
Supplies	9,448	8,563	885
Senior citizen center	375	375	-
Telephone and utilities	11,919	11,889	30
Travel	7,177	6,267	910
Uniforms	279	279	-
Capital outlay	16,523	16,453	70
Total general government	167,275	158,601	8,674
Public safety:			
Police:			
Salaries	191,088	194,133	(3,045)
Payroll taxes	20,804	15,106	5,698
Auto expense	9,762	9,762	-
Dues and subscriptions	2,885	2,723	162
Insurance	31,734	31,234	500
Miscellaneous	1,307	91	1,216
Repairs	9,026	9,026	-
Retirement expense	9,212	7,263	1,949
Supplies	906	906	-
Telephone	1,515	1,515	-
Uniforms	439	439	-
Capital outlay	20,191	19,941	250
Total police	298,869	292,139	6,730
Fire:			
Volunteer firemen	1,401	1,401	-
Supplies	8,336	8,336	-
Total fire	9,737	9,737	-
Total public safety	308,606	301,876	6,730
Highways and streets:			
Streets and lights	19,645	19,645	-

(continued on next page)



TOWN OF IOWA, LOUISIANA  
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (BUDGET BASIS)  
Year Ended June 30, 1999  
(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Culture and recreation:			
Park security	<u>2,272</u>	<u>2,272</u>	<u>-</u>
Sanitation:			
Garbage and trash:			
Dumping fees and collection fees	<u>97,652</u>	<u>97,652</u>	<u>-</u>
Sewer maintenance:			
Payroll taxes	989	-	989
Insurance	1,567	1,567	-
Legal and other services	3,197	3,197	-
Repairs	3,487	3,487	-
Supplies	44,449	39,715	4,734
Utilities	<u>33,723</u>	<u>33,723</u>	<u>-</u>
Total sewer maintenance	<u>87,412</u>	<u>81,689</u>	<u>5,723</u>
Total sanitation	<u>185,064</u>	<u>179,341</u>	<u>5,723</u>
Debt service:			
Principal retirements	83,000	83,000	-
Interest paid	<u>8,109</u>	<u>8,109</u>	<u>-</u>
Total debt service	<u>91,109</u>	<u>91,109</u>	<u>-</u>
	<u>\$ 773,971</u>	<u>\$ 752,844</u>	<u>\$ 21,127</u>

## SPECIAL REVENUE FUNDS

SALES TAX FUND-WATER IMPROVEMENTS - to account for 80% of a one percent sales tax to be used for capital and other improvements of the Water Utility Fund.

SALES TAX FUND-STREETS AND PARKS - to account for 20% of a one percent sales tax to be used for improvements to the Town's streets and parks.

SALES TAX FUND-STREETS II - to account for 65% of a one percent sales tax to be used for street, sidewalk, and street lighting maintenance and construction.

SALES TAX FUND-SALES TAX III - to account for a one-half of one percent sales tax to be used for (1) flood control maintenance and flood control improvements, (2) economic development activities, and (3) capital improvements and maintenance to the Town Hall and Town Park situated in the Town of Iowa, Louisiana.

HOUSING REHABILITATION - to account for the expenditures of Louisiana Housing Finance Agency grant funds for the rehabilitation of substandard homes owned and occupied by individuals meeting certain predefined criteria.

LCDBG HOUSING REHABILITATION - to account for the expenditures of the Louisiana Community Development Block Grant funds for the rehabilitation of substandard homes owned and occupied by individuals meeting certain predefined criteria.

IOWA FIRE PROTECTION DISTRICT NO. 1 OF CALCASIEU PARISH - to account for the operations of the District, a component unit of the Town of Iowa. The District is authorized to provide fire prevention and control within its District limits. It owns and operates one fire station and all fire prevention and protection services are provided by volunteers.

TOWN OF IOWA, LOUISIANA  
SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 1999

With Comparative Totals for June 30, 1998

	<u>Sales Tax Fund</u>		
<u>ASSETS</u>	<u>Water Improvements</u>	<u>Streets and Parks</u>	<u>Streets II</u>
Cash	\$ 172,429	\$ 41,383	\$ 17,685
Certificate of deposit	550,431	5,859	24,633
Investments	433,084	-	122,455
Grant receivable	-	26,606	-
Intergovernmental receivable	-	-	-
Taxes receivable	-	-	-
Due from other funds	<u>71,060</u>	<u>5,783</u>	<u>18,927</u>
Total assets	<u>\$ 1,227,004</u>	<u>\$ 79,631</u>	<u>\$ 183,700</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts payable	\$ 1,932	\$ 15,753	\$ 11
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	1,932	15,753	11
Fund balances:			
Unreserved-undesignated	<u>1,225,072</u>	<u>63,878</u>	<u>183,689</u>
Total liabilities and fund equity	<u>\$ 1,227,004</u>	<u>\$ 79,631</u>	<u>\$ 183,700</u>

Sales Tax III	Housing Rehabilitation Fund	CDBG Housing Rehabilitation	Fire Protection District	Totals	
				1999	1998
\$ 61,785	\$ -	\$ 1	\$ 60,218	\$ 353,501	\$ 309,447
124,904	-	-	26,471	732,298	703,936
246,253	-	-	-	801,792	619,858
-	-	-	11,983	38,589	2,911
-	-	-	6,054	6,054	6,702
-	-	-	30	30	66
-	-	-	1,187	96,957	73,585
<u>\$ 432,942</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 105,943</u>	<u>\$ 2,029,221</u>	<u>\$ 1,716,505</u>
\$ -	\$ -	\$ -	\$ 13,846	\$ 31,542	\$ 3,814
62,388	-	-	-	62,388	42,512
62,388	-	-	13,846	93,930	46,326
<u>370,554</u>	<u>-</u>	<u>1</u>	<u>92,097</u>	<u>1,935,291</u>	<u>1,670,179</u>
<u>\$ 432,942</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 105,943</u>	<u>\$ 2,029,221</u>	<u>\$ 1,716,505</u>

TOWN OF IOWA, LOUISIANA  
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Year Ended June 30, 1999  
With Comparative Totals for Year Ended June 30, 1998

	Sales Tax Fund		
	Water Improvements	Streets and Parks	Streets II
Revenues:			
Taxes	\$ 317,394	\$ 79,348	\$ 257,882
Intergovernmental	-	-	-
Interest earned	45,043	784	7,356
Fire insurance	-	-	-
Grants received	-	26,606	-
Miscellaneous	-	458	-
Total revenues	362,437	107,196	265,238
Expenditures:			
Current:			
General government	-	-	-
Highway and streets	-	-	208,037
Culture and recreation	-	82,792	-
Fire protection district	-	-	-
Housing rehabilitation expenditures	-	-	-
Other services and charges	14,553	-	-
Debt service:			
Principal retirements	-	-	-
Interest expense	-	-	-
Total expenditures	14,553	82,792	208,037
Excess (deficiency) of revenues over expenditures	347,884	24,404	57,201
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	(213,438)	-	(93,478)
Total other financing sources (uses)	(213,438)	-	(93,478)
Excess (deficiency) of revenues over expenditures and other uses	134,446	24,404	(36,277)
Fund balances at beginning of year	1,090,626	39,474	219,966
Fund balances at end of year	\$ 1,225,072	\$ 63,878	\$ 183,689

Sales Tax III	Housing Rehabilitation Fund	CDBG Housing Rehabilitation	Fire Protection District	Totals	
				1999	1998
\$ 198,371	\$ -	\$ -	\$ 49,221	\$ 902,216	\$ 936,817
-	-	-	2,891	2,891	2,891
16,271	-	-	3,226	72,680	61,365
-	-	-	6,053	6,053	5,738
-	-	-	25,812	52,418	753,326
-	-	-	3,858	4,316	8,785
<u>214,642</u>	<u>-</u>	<u>-</u>	<u>91,061</u>	<u>1,040,574</u>	<u>1,768,922</u>
35,597	-	-	-	35,597	171,003
-	-	-	-	208,037	284,339
-	-	-	-	82,792	65,162
-	-	-	72,892	72,892	58,579
-	36	-	-	36	600,176
26,118	-	-	-	40,671	28,758
-	-	-	12,678	12,678	12,320
-	-	-	2,085	2,085	2,372
<u>61,715</u>	<u>36</u>	<u>-</u>	<u>87,655</u>	<u>454,788</u>	<u>1,222,709</u>
<u>152,927</u>	<u>(36)</u>	<u>-</u>	<u>3,406</u>	<u>585,786</u>	<u>546,213</u>
-	-	-	-	-	1
<u>(13,485)</u>	<u>(273)</u>	<u>-</u>	<u>-</u>	<u>(320,674)</u>	<u>(301,502)</u>
<u>(13,485)</u>	<u>(273)</u>	<u>-</u>	<u>-</u>	<u>(320,674)</u>	<u>(301,501)</u>
139,442	(309)	-	3,406	265,112	244,712
<u>231,112</u>	<u>309</u>	<u>1</u>	<u>88,691</u>	<u>1,670,179</u>	<u>1,425,467</u>
<u>\$ 370,554</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 92,097</u>	<u>\$ 1,935,291</u>	<u>\$ 1,670,179</u>

TOWN OF IOWA, LOUISIANA  
SALES TAX FUND-WATER IMPROVEMENTS

COMPARATIVE BALANCE SHEETS  
June 30, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Cash	\$ 172,429	\$ 101,843
Certificates of deposit	550,431	530,303
Investments	433,084	412,195
Due from other funds	<u>71,060</u>	<u>46,285</u>
Total assets	<u>\$ 1,227,004</u>	<u>\$ 1,090,626</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ 1,932	\$ -
Fund balances:		
Unreserved-undesignated	<u>1,225,072</u>	<u>1,090,626</u>
Total liabilities and fund equity	<u>\$ 1,227,004</u>	<u>\$ 1,090,626</u>

TOWN OF IOWA, LOUISIANA  
SALES TAX FUND-WATER IMPROVEMENTS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGET BASIS)  
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Sales tax	\$ 294,221	\$ 317,394	\$ 23,173
Interest earned	<u>43,508</u>	<u>45,043</u>	<u>1,535</u>
Total revenues	<u>337,729</u>	<u>362,437</u>	<u>24,708</u>
Expenditures:			
Current:			
Other services and charges:			
Sales tax collection fees	8,880	8,880	-
Other services and charges	<u>3,707</u>	<u>3,741</u>	<u>(34)</u>
Total expenditures	<u>12,587</u>	<u>12,621</u>	<u>(34)</u>
Excess of revenues over expenditures (budget basis)	325,142	349,816	24,674
Other financing sources (uses):			
Operating transfers in (out)	<u>(242,421)</u>	<u>(213,438)</u>	<u>28,983</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses (budget basis)	<u>\$ 82,721</u>	136,378	<u>\$ 53,657</u>
Adjustments: (Note 14)			
Accrued expenditures		<u>(1,932)</u>	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses (GAAP basis)		134,446	
Fund balance at beginning of year		<u>1,090,626</u>	
Fund balance at end of year		<u>\$1,225,072</u>	



TOWN OF IOWA, LOUISIANA  
SALES TAX FUND-STREETS AND PARKS

COMPARATIVE BALANCE SHEETS  
June 30, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Cash	\$ 41,383	\$ 28,373
Certificate of deposit	5,859	5,580
Grant receivable	26,606	-
Due from other funds	<u>5,783</u>	<u>6,424</u>
Total assets	<u>\$ 79,631</u>	<u>\$ 40,377</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ 15,753	\$ 903
Fund balance:		
Unreserved-undesignated	<u>63,878</u>	<u>39,474</u>
Total liabilities and fund equity	<u>\$ 79,631</u>	<u>\$ 40,377</u>

TOWN OF IOWA, LOUISIANA  
SALES TAX FUND-STREETS AND PARKS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGET BASIS)  
Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Sales tax	\$ 79,989	\$ 79,348	\$ (641)
Interest earned	900	784	(116)
Miscellaneous	600	458	(142)
Total revenues	81,489	80,590	(899)
<b>Expenditures:</b>			
Current:			
Cultural and recreational-parks:			
Park improvements and maintenance	13,578	13,186	392
Salaries	16,988	23,366	(6,378)
Payroll taxes	2,521	1,250	1,271
Utilities	9,549	8,546	1,003
Other services and charges	9,764	8,702	1,062
Capital outlay	12,000	12,000	-
Total expenditures	64,400	67,050	(2,650)
Excess (deficiency) of revenues over expenditures (budget basis-GAAP basis)	\$ 17,089	13,540	\$ (3,549)
<b>Adjustments: (Note 14)</b>			
Accrued revenues		26,606	
Accrued expenditures		(15,742)	
		10,864	
Excess of revenues over expenditures (GAAP basis)		24,404	
Fund balance at beginning of year		39,474	
Fund balance at end of year		\$ 63,878	

TOWN OF IOWA, LOUISIANA  
SALES TAX FUND-STREETS II

COMPARATIVE BALANCE SHEETS  
June 30, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Cash	\$ 17,685	\$ 58,685
Certificate of deposit	24,633	23,856
Investments	122,455	116,549
Due from other funds	<u>18,927</u>	<u>20,876</u>
Total assets	<u>\$ 183,700</u>	<u>\$ 219,966</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Other payable	\$ 11	\$ -
Fund balance:		
Unreserved-undesignated	<u>183,689</u>	<u>219,966</u>
Total liabilities and fund equity	<u>\$ 183,700</u>	<u>\$ 219,966</u>

TOWN OF IOWA, LOUISIANA  
SALES TAX FUND-STREETS II

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGET BASIS)  
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Sales tax	\$ 259,964	\$ 257,882	\$ (2,082)
Interest earned	6,514	7,356	842
Total revenues	266,478	265,238	(1,240)
<b>Expenditures:</b>			
Current:			
Highways and streets:			
Salaries	17,071	26,181	(9,110)
Payroll taxes	3,077	1,513	1,564
Insurance	2,390	1,990	400
Street repairs	148,437	148,437	-
Supplies	6,168	6,248	(80)
Other services and charges	5,078	5,080	(2)
Repairs and maintenance	18,588	18,588	-
Capital outlay	2,209	-	2,209
Total expenditures	203,018	208,037	(5,019)
Excess of revenues over expenditures (budget basis)	63,460	57,201	(6,259)
<b>Other financing sources (uses):</b>			
Operating transfers out	(96,193)	(93,478)	2,715
Appropriation of prior year fund balance	32,733	-	(32,733)
Total other financing sources (uses)	(63,460)	(93,478)	(30,018)
Excess of revenues and other financing sources over expenditures and other uses (budget and GAAP basis)	\$ -	(36,277)	\$ (36,277)
Fund balance at beginning of year		219,966	
Fund balance at end of year		\$ 183,689	

TOWN OF IOWA, LOUISIANA  
SALES TAX FUND-SALES TAX III

COMPARATIVE BALANCE SHEETS  
June 30, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Cash	\$ 61,785	\$ 62,420
Certificates of deposit	124,904	118,903
Investments	<u>246,253</u>	<u>91,114</u>
Total assets	<u>\$ 432,942</u>	<u>\$ 272,437</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Due to other funds	\$ 62,388	\$ 41,325
Fund balance:		
Unreserved-undesignated	<u>370,554</u>	<u>231,112</u>
Total liabilities and fund equity	<u>\$ 432,942</u>	<u>\$ 272,437</u>

TOWN OF IOWA, LOUISIANA  
SALES TAX FUND-SALES TAX III

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGET BASIS)  
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Sales tax	\$ 218,051	\$ 198,371	\$ (19,680)
Interest earned	<u>14,987</u>	<u>16,271</u>	<u>1,284</u>
Total revenues	<u>233,038</u>	<u>214,642</u>	<u>(18,396)</u>
Expenditures:			
Current:			
Government:			
Economic development	8,565	135	8,430
Flood control	1,874	35,462	(33,588)
Other services and charges	1,781	1,789	(8)
Capital outlay	<u>5,000</u>	<u>24,329</u>	<u>(19,329)</u>
Total expenditures	<u>17,220</u>	<u>61,715</u>	<u>(44,495)</u>
Excess of revenues over expenditures	215,818	152,927	(62,891)
Other financing sources (uses):			
Operating transfers out	<u>(29,000)</u>	<u>(13,485)</u>	<u>15,515</u>
Excess of revenues and other financing sources over expenditures and other uses (budget basis - GAAP basis)	<u>\$ 186,818</u>	139,442	<u>\$ (42,376)</u>
Fund balance at beginning of year		<u>231,112</u>	
Fund balance at end of year		<u>\$ 370,554</u>	

TOWN OF IOWA, LOUISIANA  
HOUSING REHABILITATION FUND

COMPARATIVE BALANCE SHEET  
June 30, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Cash	\$ -	\$ 309
Grant receivable	<u>-</u>	<u>2,911</u>
Total assets	<u>\$ -</u>	<u>\$ 3,220</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities		
Accounts payable	\$ -	\$ 2,911
Fund balance	<u>-</u>	<u>309</u>
Total liabilities and fund equity	<u>\$ -</u>	<u>\$ 3,220</u>

TOWN OF IOWA, LOUISIANA  
HOUSING REHABILITATION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGET BASIS)  
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Grants received	\$ 2,411	\$ -	\$ (2,411)
Expenditures:			
Current:			
Housing rehabilitation expenditures	<u>2,727</u>	<u>36</u>	<u>2,691</u>
Excess (deficiency) of revenues over expenditures	(316)	(36)	280
Other financing sources (uses):			
Operating transfers out	<u>-</u>	<u>(273)</u>	<u>(273)</u>
Excess of revenues and other financing sources over expenditures and other uses (budget basis - GAAP basis)	<u>\$ (316)</u>	<u>(309)</u>	<u>\$ 7</u>
Fund balance at beginning of year		<u>309</u>	
Fund balance at end of year		<u>\$ -</u>	



TOWN OF IOWA, LOUISIANA  
LCDBG HOUSING REHABILITATION FUND

COMPARATIVE BALANCE SHEETS  
June 30, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Cash	<u>\$ 1</u>	<u>\$ 1</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities	\$ -	\$ -
Fund balance	<u>1</u>	<u>1</u>
Total liabilities and fund equity	<u>\$ 1</u>	<u>\$ 1</u>

TOWN OF IOWA, LOUISIANA  
LCDBG HOUSING REHABILITATION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGET BASIS)  
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other uses (budget basis - GAAP basis)	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance at beginning of year		<u>1</u>	
Fund balance at end of year		<u>\$ 1</u>	

TOWN OF IOWA, LOUISIANA  
IOWA FIRE PROTECTION DISTRICT NO. 1 OF CALCASIEU PARISH

COMPARATIVE BALANCE SHEETS  
June 30, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Cash	\$ 60,218	\$ 57,816
Certificates of deposit	26,471	25,294
Intergovernmental receivable	6,054	6,702
Grant receivable	11,983	-
Taxes receivable	30	66
Due from other funds	<u>1,187</u>	<u>-</u>
Total assets	<u>\$ 105,943</u>	<u>\$ 89,878</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Accounts payable	\$ 12,781	\$ -
Other payables	1,065	-
Due to other funds	<u>-</u>	<u>1,187</u>
Total liabilities	13,846	1,187
Fund balance:		
Unreserved-undesignated	<u>92,097</u>	<u>88,691</u>
Total liabilities and fund equity	<u>\$ 105,943</u>	<u>\$ 89,878</u>

TOWN OF IOWA, LOUISIANA  
IOWA FIRE PROTECTION DISTRICT NO. 1 OF CALCASIEU PARISH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (BUDGET BASIS)  
Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Property tax	\$ 52,164	\$ 49,191	\$ (2,973)
Intergovernmental	3,215	2,891	(324)
Interest earned	4,065	3,226	(839)
Fire insurance	11,477	5,738	(5,739)
Grant received	13,828	13,828	-
Miscellaneous	3,858	3,858	-
Total revenues	88,607	78,732	(9,875)
<b>Expenditures:</b>			
Current:			
Fireman training	2,650	2,602	48
Fire drills	1,300	1,254	46
Insurance	7,500	7,500	-
Office expense	300	-	300
Supplies	1,650	1,489	161
Utilities	5,650	5,444	206
Other services and charges	6,960	8,868	(1,908)
Repairs and maintenance	5,600	5,530	70
Capital outlay	17,850	27,424	(9,574)
Debt service:			
Principal retirements	15,000	12,678	2,322
Interest expense	-	2,085	(2,085)
Total expenditures	64,460	74,874	(10,414)
Excess (deficiency) of revenues over expenditures (budget basis)	\$ 24,147	3,858	\$ (20,289)
<b>Adjustments: (Note 14)</b>			
Accrued revenues		12,329	
Accrued expenditures		(12,781)	
Excess of revenues and other financing sources over expenditures and other uses (GAAP basis)		3,406	
Fund balance at beginning of year		88,691	
Fund balance at end of year		\$ 92,097	

### **CAPITAL PROJECTS FUNDS**

SEWER IMPROVEMENT PROJECT - to account for monies to be used for the improvement and upgrade of the Town's sewer plant.

SEWER AND WATER LINE EXTENSION PROJECT - to account for monies to be used for the extension of the Town's sewer and water lines.

TOWN OF IOWA, LOUISIANA  
CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET  
June 30, 1999

With Comparative Totals for June 30, 1998

<u>ASSETS</u>	<u>Sewer</u>	<u>Sewer and</u>	<u>Totals</u>	
	<u>Improvement</u>	<u>Water Line</u>	<u>1999</u>	<u>1998</u>
	<u>Project</u>	<u>Extension</u>		
		<u>Project</u>		
Cash	\$ 1	\$ -	\$ 1	\$ 6,879
Certificates of deposit	115,196	-	115,196	103,491
Grants receivable	-	98,103	98,103	103,491
Total assets	<u>\$ 115,197</u>	<u>\$ 98,103</u>	<u>\$ 213,300</u>	<u>\$ 110,370</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ -	\$ 98,103	\$ 98,103	\$ -
Fund equity:				
Unreserved-undesignated (deficit)	<u>115,197</u>	<u>-</u>	<u>115,197</u>	<u>110,370</u>
Total liabilities and fund equity	<u>\$ 115,197</u>	<u>\$ 98,103</u>	<u>\$ 213,300</u>	<u>\$ 110,370</u>

TOWN OF IOWA, LOUISIANA  
CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Year Ended June 30, 1999  
With Comparative Totals for Year Ended June 30, 1998

	Sewer Improvement Project	Sewer and Water Line Extension Project	Totals	
			1999	1998
<b>Revenues:</b>				
Grants received	\$ -	\$ 488,108	\$ 488,108	\$ -
Interest earned	<u>4,827</u>	<u>-</u>	<u>4,827</u>	<u>20,169</u>
Total revenues	<u>4,827</u>	<u>488,108</u>	<u>492,935</u>	<u>20,169</u>
<b>Expenditures:</b>				
Sewer and water line extension expenditures	-	488,108	488,108	-
Sewer plant expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,053,390</u>
Total expenditures	<u>-</u>	<u>488,108</u>	<u>488,108</u>	<u>1,053,390</u>
Excess (deficiency) of revenues over expenditures	4,827	-	4,827	(1,033,221)
<b>Other financing sources (uses):</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,188)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	4,827	-	4,827	(1,056,409)
Fund balance at beginning of year	<u>110,370</u>	<u>-</u>	<u>110,370</u>	<u>1,166,779</u>
Fund balance at end of year	<u>\$ 115,197</u>	<u>\$ -</u>	<u>\$ 115,197</u>	<u>\$ 110,370</u>

TOWN OF IOWA, LOUISIANA  
CAPITAL PROJECTS FUND-SEWER IMPROVEMENT PROJECT

BALANCE SHEET  
June 30, 1999

ASSETS	<u>1999</u>	<u>1998</u>
Cash	\$ 1	\$ 6,879
Certificate of deposit	<u>115,196</u>	<u>103,491</u>
	<u>\$ 115,197</u>	<u>\$ 110,370</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Liabilities	\$ -	\$ -
Fund equity:		
Reserved for sewer plant upgrade	<u>115,197</u>	<u>110,370</u>
Total liabilities and fund equity	<u>\$ 115,197</u>	<u>\$ 110,370</u>



TOWN OF IOWA, LOUISIANA  
CAPITAL PROJECTS FUND-SEWER IMPROVEMENT PROJECT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Year Ended June 30, 1999

	1999	1998
Revenues:		
Interest earned	\$ 4,827	\$ 20,169
Expenditures:		
Sewer plant expenditures	-	1,053,390
Excess (deficiency) of revenues over expenditures	4,827	(1,033,221)
Other financing sources (uses):		
Transfers out	-	(23,188)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	4,827	(1,056,409)
Fund balance at beginning of year	110,370	1,166,779
Fund balance at end of year	\$ 115,197	\$ 110,370

TOWN OF IOWA, LOUISIANA  
CAPITAL PROJECTS FUND-SEWER AND WATER LINE EXTENSION PROJECT

BALANCE SHEET  
June 30, 1999

ASSETS

Grant receivable \$ 98,103

LIABILITIES AND FUND EQUITY

Liabilities

Accounts payable \$ 98,103

Fund equity:

Reserved for sewer and water line extension project -

Total liabilities and fund equity \$ 98,103

TOWN OF IOWA, LOUISIANA  
CAPITAL PROJECTS FUND-SEWER AND WATER LINE EXTENSION PROJECT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
Year Ended June 30, 1999

Revenues:		
Grants received		<u>\$ 488,108</u>
Expenditures:		
Construction expenditures-sewer	208,901	
Construction expenditures-water	266,332	
Administrative expenditures	<u>12,875</u>	
Total expenditures		<u>488,108</u>
Excess (deficiency) of revenues over expenditures		-
Fund balance at beginning of year		<u>-</u>
Fund balance at end of year		<u><u>\$ -</u></u>

**ENTERPRISE FUND**

WATER UTILITY FUND - to account for the provision of water services to the Town. All activities necessary to provide such services are accounted for in this fund.

TOWN OF IOWA, LOUISIANA  
WATER UTILITY FUND

COMPARATIVE BALANCE SHEETS  
June 30, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Current assets:		
Cash	\$ 52,326	\$ 41,566
Accounts receivable (net of allowance for uncollectible accounts 1999 \$3,543; 1998 \$3,543)	16,505	16,588
Other receivable	2,535	-
Due from other funds	4,252	2,467
Prepaid expenses	<u>3,142</u>	<u>323</u>
Total current assets	<u>78,760</u>	<u>60,944</u>
Restricted assets:		
Customers' deposits-cash	<u>13,494</u>	<u>11,540</u>
Property, plant and equipment:		
Land	4,002	4,002
Plants, mains and equipment	<u>2,365,725</u>	<u>2,243,041</u>
	2,369,727	2,247,043
Less accumulated depreciation	<u>1,197,020</u>	<u>1,056,036</u>
Net property, plant and equipment	<u>1,172,707</u>	<u>1,191,007</u>
Other assets:		
Deposit-Louisiana Department of Highways	<u>100</u>	<u>100</u>
Total assets	<u>\$ 1,265,061</u>	<u>\$ 1,263,591</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	\$ 2,574	\$ -
Due to other funds	11,680	6,589
Other payables	<u>-</u>	<u>374</u>
Total current liabilities (payable from current assets)	14,254	6,963
Current liabilities (payable from restricted assets):		
Customers' deposits	<u>13,494</u>	<u>11,540</u>
Total liabilities	<u>27,748</u>	<u>18,503</u>
Fund equity:		
Contributed capital-General Fund	30,202	32,067
Contributed capital-Community Development Block Grant	380,666	397,333
Retained earnings-unreserved	<u>826,445</u>	<u>815,688</u>
Total fund equity	<u>1,237,313</u>	<u>1,245,088</u>
Total liabilities and fund equity	<u>\$ 1,265,061</u>	<u>\$ 1,263,591</u>

TOWN OF IOWA, LOUISIANA  
WATER UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
FUND EQUITY

Years Ended June 30, 1999 and 1998

	1999	1998
Operating revenues:		
Charges for services	\$ 158,321	\$ 152,527
Operating expenses:		
Salaries	130,141	112,850
Payroll taxes	13,318	8,216
Insurance	19,484	28,155
Repairs, maintenance and supplies	49,995	33,905
Utilities	18,579	17,645
Depreciation	140,984	134,961
Other services and charges	17,308	16,236
Total operating expenses	389,809	351,968
Operating (loss)	(231,488)	(199,441)
Nonoperating revenues:		
Interest earned	864	1,109
Miscellaneous revenues	80	1,845
Total nonoperating revenues	944	2,954
(Loss) before operating transfers	(230,544)	(196,487)
Operating transfers:		
Operating transfers in	222,769	159,128
Operating transfers out	-	(38)
	222,769	159,090
Net income (loss)	(7,775)	(37,397)
Add depreciation on fixed assets acquired with contributed capital	18,532	18,533
Increase (decrease) in retained earnings	10,757	(18,864)
Retained earnings at beginning of year	815,688	834,552
Retained earnings at end of year	826,445	815,688

(continued on next page)

TOWN OF IOWA, LOUISIANA  
WATER UTILITY FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY  
Years Ended June 30, 1999 and 1998  
(Continued)

	1999	1998
Retained earnings at end of year	826,445	815,688
Contributed capital-General Fund:		
Balance at beginning of year	32,067	33,933
Less depreciation on water lines	(1,865)	(1,866)
Balance at end of year	30,202	32,067
Contributed capital-Community Development Block Grant:		
Balance at beginning of year	397,333	414,000
Less depreciation on water tower	(16,667)	(16,667)
Balance at end of year	380,666	397,333
Total contributed capital-end of year	410,868	429,400
Total fund equity-end of year	\$ 1,237,313	\$ 1,245,088

TOWN OF IOWA, LOUISIANA  
WATER UTILITY FUND

COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended June 30, 1999 and 1998

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>1999</u>	<u>1998</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 160,358	\$ 152,127
Cash payments to suppliers for goods and services	(108,521)	(110,223)
Cash payments to employees	<u>(143,459)</u>	<u>(121,066)</u>
Net cash (used in) operating activities	<u>(91,622)</u>	<u>(79,162)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Miscellaneous revenue	80	1,845
Operating transfer from other funds (net)	222,769	159,090
Interfund payable increase (decrease)	<u>3,306</u>	<u>(266)</u>
Net cash provided by noncapital financing activities	<u>226,155</u>	<u>160,669</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Payments for capital acquisitions	<u>(122,683)</u>	<u>(76,235)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts of interest	<u>864</u>	<u>1,109</u>
Net increase in cash and cash equivalents	12,714	6,381
Cash and cash equivalents:		
Beginning of year	<u>53,106</u>	<u>46,725</u>
End of year	<u>\$ 65,820</u>	<u>\$ 53,106</u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES</b>		
Operating (loss)	\$ (231,488)	\$ (199,441)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation	140,984	134,961
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	83	(659)
(Increase) decrease in prepaid expenses	(2,819)	1,280
Increase (decrease) in accounts payable and other payables	<u>1,618</u>	<u>(15,303)</u>
Net cash (used in) operating activities	<u>\$ (91,622)</u>	<u>\$ (79,162)</u>



**GENERAL FIXED ASSETS  
ACCOUNT GROUP**

To account for fixed assets not used in  
proprietary fund operations.

TOWN OF IOWA, LOUISIANA  
STATEMENT OF GENERAL FIXED ASSETS  
June 30, 1999 and 1998

	1999	1998
General fixed assets:		
Building	\$ 676,182	\$ 676,182
Land	134,670	134,670
Improvements, other than buildings	1,636,571	1,590,635
Furniture and equipment	445,683	384,527
Vehicles	418,562	398,621
Construction in progress	475,232	-
Total general fixed assets	\$ 3,786,900	\$ 3,184,635
Investment in general fixed assets:		
Property acquired prior to 7-1-86	\$ 97,725	\$ 97,725
Iowa Fire Protection District No. 1 of Calcasieu Parish	620,036	580,331
Property acquired after 7-1-86 from:		
General fund revenues	1,839,523	1,803,130
Sales tax fund revenues	747,514	696,579
Federal revenue sharing funds	482,102	6,870
Total investment in general fixed assets	\$ 3,786,900	\$ 3,184,635

TOWN OF IOWA, LOUISIANA

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION  
Year Ended June 30, 1999

<u>Function</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
General government	\$ 505,117	\$ 21,453	\$ -	\$ 526,570
Public safety	220,183	19,941	-	240,124
Highways and streets	86,111	-	-	86,111
Sanitation	1,539,487	494,561	-	2,034,047
Culture and recreation	253,405	26,606	-	280,012
Fire protection district	<u>580,332</u>	<u>39,704</u>	<u>-</u>	<u>620,036</u>
Total general fixed assets	<u>\$ 3,184,635</u>	<u>\$ 602,265</u>	<u>\$ -</u>	<u>\$ 3,786,900</u>

**GENERAL LONG-TERM DEBT  
ACCOUNT GROUP**

This account group records long-term liabilities expected to be financed from governmental type funds.

TOWN OF IOWA, LOUISIANA

STATEMENT OF CHANGES IN LONG-TERM DEBT  
Year Ended June 30, 1999

	Balance June 30, <u>1998</u>	<u>Increase</u>	<u>Decrease</u>	Balance June 30, <u>1999</u>
Amount to be provided from Iowa Fire Protection District for the retirement of long-term debt:				
New pumper fire truck	\$ 35,117	\$ -	\$ (12,678)	\$ 22,439
Amount to be provided from excess revenues for the retirement of long-term debt:				
Sewer plant upgrade	<u>922,000</u>	<u>-</u>	<u>(83,000)</u>	<u>839,000</u>
Amount to be provided	<u>\$ 957,117</u>	<u>\$ -</u>	<u>\$ (95,678)</u>	<u>\$ 861,439</u>
Notes payable	\$ 35,117	\$ -	\$ (12,678)	\$ 22,439
Certificate of indebtedness	<u>922,000</u>	<u>-</u>	<u>(83,000)</u>	<u>839,000</u>
Total general long-term debt	<u>\$ 957,117</u>	<u>\$ -</u>	<u>\$ (95,678)</u>	<u>\$ 861,439</u>

**SUPPLEMENTARY INFORMATION**

TOWN OF IOWA, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION  
YEAR 2000 SUPPLEMENTARY INFORMATION  
June 30, 1999  
See Independent Auditor's Report

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year ended December 31, 1999.

The Town has recognized the potential for problems that may be presented for certain technological systems on and after January 1, 2000. A strategic plan was developed and implemented to address Year 2000 compliance modifications to technical systems owned and used by the Town. New Year 2000 compliant computer hardware and software systems have been purchased to handle all accounting and office functions. Other areas containing date sensitive chips, such as the police and sewer systems have also been tested for compliance. As of October, 1999, the Town had completed installation and testing of its systems.

Because of the unprecedented nature of the Year 2000 issue, the effects of the Year 2000 issue and the success of related remediation efforts cannot be absolutely determined until January 1, 2000, and therefore, management has taken every possible action within its control to implement and verify Year 2000 compatibility. No one can anticipate all the possible problems associated with Year 2000 compatibility. No one can anticipate all the possible problems associated with Year 2000 incompatibilities of the various agencies and vendors with which the Town must, by virtue of their business, have contact, and although the Town has made all remediation efforts within its control, the success of the remediation efforts cannot be verified until such time as full interaction and verification is made as a result of cooperation with the various agencies and vendors in the Year 2000.

TOWN OF IOWA, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 1999

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Expenditures</u>
Louisiana Division of Administration Louisiana Community Development Block Grant Program	14.228	-	\$ 488,108
Health and Safety Rehabilitation Grant Program: U.S. Department of Housing and Urban Development-HOME Investment Partnership Act Program under Title II	14.239	M935G220100	<u>36</u>
Total expenditures of federal awards			<u>\$ 488,144</u>



**INDEPENDENT AUDITOR'S REPORTS  
ON INTERNAL CONTROL  
AND COMPLIANCE**

# McELROY, QUIRK & BURCH

*A Professional Corporation • Certified Public Accountants • Since 1925*  
800 Kirby Street • P.O. Box 3070 • Lake Charles, LA 70602-3070  
318 433-1063 • Fax 318 436-6618 • E-mail: mqb@iamerica.net

Carl W. Comeaux, CPA  
Barbara Hutson Gonzales, CPA  
Judson J. McCann Jr., CPA  
Martin L. Chelotsky, CPA, CFE  
Robert M. Gani, CPA  
Tina L. Demarest, CPA



Mollie C. Broussard, CPA

Charles P. Quirk, CPA  
Otray J. Woods Jr., CPA  
Robert J. Cargile, CPA  
William A. Mancuso, CPA

Charles L. McElroy, CPA (1917-1997)  
Patrick J. Reddin, CPA (1926-1995)  
Frank D. Burch, CPA (1921-1991)

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

Honorable Mayor  
and Town Council  
Town of Iowa  
Iowa, Louisiana

We have audited the financial statements of the Town of Iowa, Louisiana as of and for the year ended June 30, 1999, and have issued our report thereon dated November 3, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Town of Iowa's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. An instance of noncompliance is described in the accompanying schedule of findings and questioned costs as item 99-1.

### Internal Control Over Financial Reporting

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

design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town of Iowa's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1 and 99-2.

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 financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we considered items 99-1 and 99-2 to be material weaknesses.

This report is intended for the information of the Board, management, and other state and federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

*McElroy, Quirk & Such*

Lake Charles, Louisiana  
November 3, 1999

# McELROY, QUIRK & BURCH

*A Professional Corporation • Certified Public Accountants • Since 1925*  
800 Kirby Street • P.O. Box 3070 • Lake Charles, LA 70602-3070  
318 433-1063 • Fax 318 436-6618 • E-mail: mqb@iamerica.net

Carl W. Comeaux, CPA  
Barbara Hutson Gonzales, CPA  
Judson J. McCann Jr., CPA  
Martin L. Chelotsky, CPA, CFE  
Robert M. Gani, CPA  
Tina L. Demarest, CPA

Mollie C. Broussard, CPA



Charles P. Quirk, CPA  
Otray J. Woods Jr., CPA  
Robert J. Cargile, CPA  
William A. Mancuso, CPA  
Charles L. McElroy, CPA (1917-1997)  
Patrick J. Reddin, CPA (1926-1995)  
Frank D. Burch, CPA (1921-1991)

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor  
and Board of Aldermen  
Town of Iowa  
Iowa, Louisiana

### Compliance

We have audited the compliance of the Town of Iowa, Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The Town of Iowa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Iowa's management. Our responsibility is to express an opinion on the Town of Iowa's compliance based on our audit.

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

In our opinion, the Town of Iowa, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

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

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

This report is intended for the information of the Board, management, and other state and federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

*McCray, Quirk & Burch*

Lake Charles, Louisiana  
November 3, 1999

TOWN OF IOWA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 1999

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified  
Internal control over financial reporting:  
Material weakness identified?  Yes  No  
Reportable condition identified not considered  
to be material weakness?  Yes  None reported  
Noncompliance material to financial statements  
noted?  Yes  No

Federal Awards

Internal control over major programs:  
Material weakness identified?  Yes  No  
Reportable condition identified not considered  
to be material weakness?  Yes  None reported  
Type of auditor's report issued on compliance  
for major programs: Unqualified  
Any audit findings disclosed that are required  
to be reported in accordance with Circular  
A-133, Section .510(a)?  Yes  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Louisiana Division of Administration, Louisiana Community Development Block Grant Program

Dollar threshold used to distinguish  
between Type A and Type B programs: \$ 300,000  
Auditee qualified as low-risk auditee?  Yes  No

(continued on next page)

TOWN OF IOWA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 1999  
(Continued)

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**99-1 Bank Reconciliation**

**Condition:** Bank statements and related canceled checks are neither reviewed nor reconciled timely to the book balances.

**Criteria:** Bank reconciliations should be prepared on a monthly basis to insure that the financial records are complete and fairly stated.

**Effect:** Because of the failure to prepare bank reconciliations, the Town failed to record several financial transactions resulting in large adjustments to the financial records.

**Recommendation:** Procedures should be implemented requiring all bank accounts to be reconciled on a monthly basis and reviewed by appropriate Town personnel.

**Response:** We concur with the recommendation. Such a procedure will be implemented immediately.

**99-2 Segregation of Duties**

**Condition:** Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.

**Criteria:** Effective internal control requires adequate segregation of duties among client personnel.

**Effect:** Without proper segregation of duties, errors within the financial records or fraud could go undetected.

**Recommendation:** To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

**Response:** We concur with this recommendation. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, and separation of duties related to opening mail and recording monies received.

TOWN OF IOWA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 1999  
(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



TOWN OF IOWA, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 1999

No matters to report on related to prior year federal awards.

TOWN OF IOWA, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS  
Year Ended June 30, 1999

FINDING 98-1: Bank Reconciliation

Condition: This finding was a reportable condition and a material weakness. The Town failed to prepare bank reconciliations for certain accounts in a timely manner for the year ended June 30, 1998.

Recommendation: Bank reconciliations should be prepared on a monthly basis.

Current status: The condition still exists for the year ended June 30, 1999.

FINDING 98-2: Inadequate Segregation of Duties

Condition: This finding was a reportable condition relating to the entity's size and limited number of accounting personnel which made it impossible to achieve effective internal accounting control.

Recommendation: Since increasing staff size would not be cost effective, the auditor recommended that the Town's management mitigate this weakness by its supervision and review procedures.

Current status: The condition still exists, however, it has been mitigated by the review procedures.

FINDING 98-3: Cash Receipts Process

Condition: This finding was a reportable condition. Some types of checks received through the mail were not being included on the Town's list of cash receipts.

Recommendation: All checks received through the mail should be listed by the individual opening the mail.

Current status: No similar finding was noted in the fiscal year 1999 audit.