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TOWN OF IOTA, LOUISIANA

FINANCIAL REPORT

JUNE 30, 1999

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Release Date JAN 12 2000

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# **BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable John D. Sittig, Mayor,  
and the Board of Aldermen  
Town of Iota, Louisiana

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### *Retired:*

Sidney L. Broussard, CPA 1980  
Leon K. Poche, CPA 1984  
James H. Breaux, CPA 1987  
Erna R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberly, CPA\* 1995  
Rodney I. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1996

Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants

We have audited the accompanying general purpose financial statements of the Town of Iota, Louisiana as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Town of Iota, Louisiana. 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. 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 Iota, Louisiana as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 9, 1999, on our consideration of the Town of Iota, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The Honorable John D. Sittig, Mayor  
and the Board of Aldermen  
Town of Iota, Louisiana

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Iota, Louisiana. 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 and, in our opinion is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

*BROUSSARD, ROCHE, LEWIS & BREUX, L.L.P.*

Crowley, Louisiana  
August 9, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS  
(Combined Statements - Overview)

TOWN OF IOTA, LOUISIANA  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 1999

| ASSETS  | Governmental Fund Types |                    |                 |
|---|-------------------------|--------------------|-----------------|
|   | General                 | Special<br>Revenue | Debt<br>Service |
| Cash  | \$ 72,690               | \$127,538          | \$ 113          |
| Certificates of deposit   | -                       | 130,526            | -               |
| Receivables:  |                         |                    |                 |
| Accounts  | 1,237                   | 8,933              | -               |
| Accrued interest  | -                       | 453                | -               |
| Grants  | -                       | -                  | -               |
| Other   | 88                      | -                  | -               |
| Due from other funds  | 4,902                   | 3,315              | -               |
| Inventories, at cost  | -                       | -                  | -               |
| Prepaid expenses  | -                       | -                  | -               |
| Restricted assets:  |                         |                    |                 |
| Cash  | -                       | -                  | -               |
| Certificates of deposit   | -                       | -                  | -               |
| Fixed assets (net of accumulated depreciation)                    | -                       | -                  | -               |
| Amount available in debt service funds                            | -                       | -                  | -               |
| Amount available in debt service funds for<br>other purposes      | -                       | -                  | -               |
| Amount to be provided for retirement of general<br>long-term debt | -                       | -                  | -               |
|   | <u>\$ 78,917</u>        | <u>\$270,765</u>   | <u>\$ 113</u>   |

See Notes to Financial Statements.

| <u>Proprietary</u><br><u>Fund Type</u> | <u>Fiduciary</u><br><u>Fund Type</u> | <u>Account Groups</u>                           |   | <u>Totals</u><br><u>(Memorandum Only)</u> |                    |
|--|--------------------------------------|---|---|---|--------------------|
|  |                                      | <u>General</u><br><u>Fixed</u><br><u>Assets</u> | <u>General</u><br><u>Long-Term</u><br><u>Debt</u> | <u>1999</u>                               | <u>1998</u>        |
| <u>Enterprise</u>                      | <u>Agency</u>                        |   |   |   |                    |
| \$ 71,622                              | \$ 8,777                             | \$ -  | \$ -  | \$ 280,740                                | \$ 280,652         |
| 29,928                                 | -                                    | -   | -   | 160,454                                   | 127,284            |
| 50,027                                 | -                                    | -   | -   | 60,197                                    | 69,208             |
| 674                                    | -                                    | -   | -   | 1,127                                     | 1,104              |
| 3,315                                  | -                                    | -   | -   | 3,315                                     | 56,862             |
| 246                                    | 28                                   | -   | -   | 362                                       | 7,964              |
| 6,319                                  | -                                    | -   | -   | 14,536                                    | 187,958            |
| 13,340                                 | -                                    | -   | -   | 13,340                                    | 11,816             |
| 4,385                                  | -                                    | -   | -   | 4,385                                     | 8,178              |
| 23,484                                 | -                                    | -   | -   | 23,484                                    | 4,114              |
| 33,766                                 | -                                    | -   | -   | 33,766                                    | 69,650             |
| 1,746,324                              | -                                    | 572,945   | -   | 2,319,269                                 | 2,305,108          |
| -                                      | -                                    | -   | 113   | 113                                       | 11,900             |
| -                                      | -                                    | -   | -   | -   | (127)              |
| -                                      | -                                    | -   | 34,887  | 34,887                                    | 43,227             |
| <u>\$1,983,430</u>                     | <u>\$ 8,805</u>                      | <u>\$ 572,945</u>                               | <u>\$ 35,000</u>                                  | <u>\$2,949,975</u>                        | <u>\$3,184,898</u> |

(Continued)



TOWN OF IOTA, LOUISIANA

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

| LIABILITIES                           | <u>Governmental Fund Types</u> |                            |                         |
|---------------------------------------|--------------------------------|----------------------------|-------------------------|
|                                       | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> |
| Accounts payable                      | \$ 6,393                       | \$ 17,777                  | \$ -                    |
| Retainage payable                     | -                              | -                          | -                       |
| Sales tax payable                     | -                              | -                          | -                       |
| Other payables                        | 1,502                          | -                          | -                       |
| Payable from restricted assets:       |                                |                            |                         |
| Revenue bonds                         | -                              | -                          | -                       |
| Accrued interest                      | -                              | -                          | -                       |
| Customers' deposits                   | -                              | -                          | -                       |
| Due to other funds                    | -                              | -                          | -                       |
| General obligation bonds              | -                              | -                          | -                       |
| Revenue bonds payable                 | -                              | -                          | -                       |
|                                       | <hr/>                          | <hr/>                      | <hr/>                   |
| Total liabilities                     | \$ 7,895                       | \$ 17,777                  | \$ -                    |
| <br>                                  |                                |                            |                         |
| FUND EQUITY                           |                                |                            |                         |
| Contributed capital                   | \$ -                           | \$ -                       | \$ -                    |
| Investment in general fixed assets    | -                              | -                          | -                       |
| Retained earnings:                    |                                |                            |                         |
| Reserved for revenue bond retirement  | -                              | -                          | -                       |
| Reserved for revenue bond contingency | -                              | -                          | -                       |
| Reserved for customer deposits        | -                              | -                          | -                       |
| Reserved for sewer improvements       | -                              | -                          | -                       |
| Unreserved                            | -                              | -                          | -                       |
| Fund balance:                         |                                |                            |                         |
| Reserved for debt service             | -                              | -                          | 1,138                   |
| Unreserved - undesignated             | 71,022                         | 252,988                    | (1,025)                 |
| Total fund equity                     | <u>71,022</u>                  | <u>252,988</u>             | <u>113</u>              |
|                                       | <hr/>                          | <hr/>                      | <hr/>                   |
|                                       | \$ 78,917                      | \$ 270,765                 | \$ 113                  |

See Notes to Financial Statements.

Exhibit A  
(Continued)

| <u>Proprietary<br/>Fund Type</u> | <u>Fiduciary<br/>Fund Type</u> | <u>Account Groups</u>               |                                       | <u>Totals<br/>(Memorandum Only)</u> |                    |
|----------------------------------|--------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|--------------------|
|                                  |                                | <u>General<br/>Fixed<br/>Assets</u> | <u>General<br/>Long-Term<br/>Debt</u> | <u>1999</u>                         | <u>1998</u>        |
| <u>Enterprise</u>                | <u>Agency</u>                  |                                     |                                       |                                     |                    |
| \$ 14,600                        | \$ -                           | \$ -                                | \$ -                                  | \$ 38,770                           | \$ 49,840          |
| -                                | -                              | -                                   | -                                     | -                                   | 46,624             |
| 662                              | -                              | -                                   | -                                     | 662                                 | 847                |
| 4,593                            | 1,150                          | -                                   | -                                     | 7,245                               | 5,703              |
| 6,722                            | -                              | -                                   | -                                     | 6,722                               | 1,042              |
| 2,615                            | -                              | -                                   | -                                     | 2,615                               | 7,743              |
| 34,219                           | -                              | -                                   | -                                     | 34,219                              | 33,677             |
| 6,881                            | 7,655                          | -                                   | -                                     | 14,536                              | 187,958            |
| -                                | -                              | -                                   | 35,000                                | 35,000                              | 55,000             |
| <u>686,225</u>                   | <u>-</u>                       | <u>-</u>                            | <u>-</u>                              | <u>686,225</u>                      | <u>698,958</u>     |
| <u>\$ 756,517</u>                | <u>\$ 8,805</u>                | <u>\$ -</u>                         | <u>\$ 35,000</u>                      | <u>\$ 825,994</u>                   | <u>\$1,087,392</u> |
| <br>                             |                                |                                     |                                       |                                     |                    |
| \$1,510,121                      | \$ -                           | \$ -                                | \$ -                                  | \$1,510,121                         | \$1,486,393        |
| -                                | -                              | 572,945                             | -                                     | 572,945                             | 507,149            |
| 8,456                            | -                              | -                                   | -                                     | 8,456                               | -                  |
| 516                              | -                              | -                                   | -                                     | 516                                 | -                  |
| 4,722                            | -                              | -                                   | -                                     | 4,722                               | -                  |
| -                                | -                              | -                                   | -                                     | -                                   | 37,090             |
| (296,902)                        | -                              | -                                   | -                                     | (296,902)                           | (175,330)          |
| -                                | -                              | -                                   | -                                     | 1,138                               | 11,773             |
| -                                | -                              | -                                   | -                                     | <u>322,985</u>                      | <u>230,431</u>     |
| <u>\$1,226,913</u>               | <u>\$ -</u>                    | <u>\$ 572,945</u>                   | <u>\$ -</u>                           | <u>\$2,123,981</u>                  | <u>\$2,097,506</u> |
| <br>                             |                                |                                     |                                       |                                     |                    |
| <u>\$1,983,430</u>               | <u>\$ 8,805</u>                | <u>\$ 572,945</u>                   | <u>\$ 35,000</u>                      | <u>\$2,949,975</u>                  | <u>\$3,184,898</u> |

TOWN OF IOTA, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
Year Ended June 30, 1999

|  | <u>General</u>     |
|--|--------------------|
| Revenues:  |                    |
| Taxes  | \$ 102,653         |
| Licenses and permits   | 35,203             |
| Intergovernmental revenues   | 21,291             |
| Charges for services   | 3,520              |
| Fines and forfeits   | 4,368              |
| Miscellaneous  | <u>57,369</u>      |
|  | <u>\$ 224,404</u>  |
| Expenditures:  |                    |
| Current operating:   |                    |
| General government   | \$ 52,417          |
| Public safety  | 94,423             |
| Highways and streets   | 58,407             |
| Culture and recreation   | 1,096              |
| Capital outlay   | 52,277             |
| Debt service:  |                    |
| Principal retirement   | -                  |
| Interest and fiscal charges  | -                  |
|  | <u>\$ 258,620</u>  |
| Excess (deficiency) of revenues over expenditures  | <u>\$ (34,216)</u> |
| Other financing sources (uses):  |                    |
| Transfers to other funds   | \$ (13,303)        |
| Transfers from other funds   | <u>204,617</u>     |
| Total other financing sources (uses)   | <u>\$ 191,314</u>  |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | \$ 157,098         |
| Fund balances - beginning  | <u>(86,076)</u>    |
| Fund balances - ending   | <u>\$ 71,022</u>   |

See Notes to Financial Statements.

| Special<br>Revenue  | Debt<br>Service    | Totals<br>(Memorandum) Only |                   |
|---------------------|--------------------|-----------------------------|-------------------|
|                     |                    | 1999                        | 1998              |
| \$ 121,720          | \$ -               | \$ 224,373                  | \$ 218,282        |
| -                   | -                  | 35,203                      | 46,338            |
| -                   | -                  | 21,291                      | 26,786            |
| -                   | -                  | 3,520                       | 2,955             |
| -                   | -                  | 4,368                       | 4,256             |
| <u>5,511</u>        | <u>-</u>           | <u>62,880</u>               | <u>9,224</u>      |
| <u>\$ 127,231</u>   | <u>\$ -</u>        | <u>\$ 351,635</u>           | <u>\$ 307,841</u> |
| <br>                |                    |                             |                   |
| \$ 20,918           | \$ -               | \$ 73,335                   | \$ 103,861        |
| -                   | -                  | 94,423                      | 84,415            |
| -                   | -                  | 58,407                      | 46,866            |
| -                   | -                  | 1,096                       | 1,166             |
| 35,447              | -                  | 87,724                      | 43,496            |
| -                   | 20,000             | 20,000                      | 5,000             |
| -                   | <u>3,250</u>       | <u>3,250</u>                | <u>3,754</u>      |
| <u>\$ 56,365</u>    | <u>\$ 23,250</u>   | <u>\$ 338,235</u>           | <u>\$ 288,558</u> |
| <br>                |                    |                             |                   |
| <u>\$ 70,866</u>    | <u>\$ (23,250)</u> | <u>\$ 13,400</u>            | <u>\$ 19,283</u>  |
| <br>                |                    |                             |                   |
| \$ (134,258)        | \$ -               | \$ (147,561)                | \$ (19,527)       |
| -                   | <u>11,463</u>      | <u>216,080</u>              | <u>14,527</u>     |
| <u>\$ (134,258)</u> | <u>\$ 11,463</u>   | <u>\$ 68,519</u>            | <u>\$ (5,000)</u> |
| <br>                |                    |                             |                   |
| \$ (63,392)         | \$ (11,787)        | \$ 81,919                   | \$ 14,283         |
| <u>316,380</u>      | <u>11,900</u>      | <u>242,204</u>              | <u>227,921</u>    |
| <u>\$ 252,988</u>   | <u>\$ 113</u>      | <u>\$ 324,123</u>           | <u>\$ 242,204</u> |

TOWN OF IOTA, LOUISIANA

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

|  | <u>General Fund</u> |                    |  |
|--|---------------------|--------------------|--|
|  | <u>Budget</u>       | <u>Actual</u>      | <u>Variance-<br/>Favorable<br/>(Unfavorable)</u> |
| Revenues:  |                     |                    |  |
| Taxes  | \$ 101,300          | \$ 102,653         | \$ 1,353   |
| Licenses and permits   | 32,275              | 35,203             | 2,928  |
| Intergovernmental revenues   | 20,200              | 21,291             | 1,091  |
| Charges for services   | 3,400               | 3,520              | 120  |
| Fines and forfeits   | 4,100               | 4,368              | 268  |
| Miscellaneous  | <u>29,750</u>       | <u>57,369</u>      | <u>27,619</u>                                    |
|  | <u>\$ 191,025</u>   | <u>\$ 224,404</u>  | <u>\$ 33,379</u>                                 |
| Expenditures:  |                     |                    |  |
| Current operating:   |                     |                    |  |
| General government   | \$ 43,555           | \$ 52,417          | \$ (8,862)                                       |
| Public safety  | 103,625             | 94,423             | 9,202  |
| Highways and streets   | 101,500             | 58,407             | 43,093   |
| Culture and recreation   | 850                 | 1,096              | (246)  |
| Capital outlay   | <u>-</u>            | <u>52,277</u>      | <u>(52,277)</u>                                  |
|  | <u>\$ 249,530</u>   | <u>\$ 258,620</u>  | <u>\$ (9,090)</u>                                |
| Excess (deficiency) of revenues<br>over expenditures   | <u>\$ (58,505)</u>  | <u>\$ (34,216)</u> | <u>\$ 24,289</u>                                 |
| Other financing sources (uses):  |                     |                    |  |
| Transfers to other funds   | \$ (15,090)         | \$ (13,303)        | \$ 1,787   |
| Transfers from other funds   | <u>161,433</u>      | <u>204,617</u>     | <u>43,184</u>                                    |
| Total other financing sources (uses)   | <u>\$ 146,343</u>   | <u>\$ 191,314</u>  | <u>\$ 44,971</u>                                 |
| Excess (deficiency) of revenues and<br>other financing sources over<br>expenditures and other uses | <u>\$ 87,838</u>    | <u>\$ 157,098</u>  | <u>\$ 69,260</u>                                 |
| Fund balances - beginning  | <u>(86,076)</u>     | <u>(86,076)</u>    | <u>-</u>   |
| Fund balances - ending   | <u>\$ 1,762</u>     | <u>\$ 71,022</u>   | <u>\$ 69,260</u>                                 |

See Notes to Financial Statements.

| <u>Special Revenue Funds</u> |                     |  | <u>Totals<br/>(Memorandum Only)</u> |                   |  |
|------------------------------|---------------------|--|-------------------------------------|-------------------|--|
| <u>Budget</u>                | <u>Actual</u>       | <u>Variance-<br/>Favorable<br/>(Unfavorable)</u> | <u>Budget</u>                       | <u>Actual</u>     | <u>Variance-<br/>Favorable<br/>(Unfavorable)</u> |
| \$ 116,900                   | \$ 121,720          | \$ 4,820   | \$ 218,200                          | \$ 224,373        | \$ 6,173   |
| -                            | -                   | -  | 32,275                              | 35,203            | 2,928  |
| -                            | -                   | -  | 20,200                              | 21,291            | 1,091  |
| -                            | -                   | -  | 3,400                               | 3,520             | 120  |
| -                            | -                   | -  | 4,100                               | 4,368             | 268  |
| <u>3,000</u>                 | <u>5,511</u>        | <u>2,511</u>                                     | <u>32,750</u>                       | <u>62,880</u>     | <u>30,130</u>                                    |
| <u>\$ 119,900</u>            | <u>\$ 127,231</u>   | <u>\$ 7,331</u>                                  | <u>\$ 310,925</u>                   | <u>\$ 351,635</u> | <u>\$ 40,710</u>                                 |
| <br>                         |                     |  |                                     |                   |  |
| \$ 26,025                    | \$ 20,918           | \$ 5,107   | \$ 69,580                           | \$ 73,335         | \$ (3,755)                                       |
| -                            | -                   | -  | 103,625                             | 94,423            | 9,202  |
| -                            | -                   | -  | 101,500                             | 58,407            | 43,093   |
| -                            | -                   | -  | 850                                 | 1,096             | (246)  |
| <u>10,000</u>                | <u>35,447</u>       | <u>(25,447)</u>                                  | <u>10,000</u>                       | <u>87,724</u>     | <u>(77,724)</u>                                  |
| <u>\$ 36,025</u>             | <u>\$ 56,365</u>    | <u>\$ (20,340)</u>                               | <u>\$ 285,555</u>                   | <u>\$ 314,985</u> | <u>\$ (29,430)</u>                               |
| <br>                         |                     |  |                                     |                   |  |
| <u>\$ 83,875</u>             | <u>\$ 70,866</u>    | <u>\$ (13,009)</u>                               | <u>\$ 25,370</u>                    | <u>\$ 36,650</u>  | <u>\$ 11,280</u>                                 |
| <br>                         |                     |  |                                     |                   |  |
| \$ (150,564)                 | \$ (134,258)        | \$ 16,306  | \$ (165,654)                        | \$ (147,561)      | \$ 18,093  |
| -                            | -                   | -  | 161,433                             | 204,617           | 43,184   |
| <u>\$ (150,564)</u>          | <u>\$ (134,258)</u> | <u>\$ 16,306</u>                                 | <u>\$ (4,221)</u>                   | <u>\$ 57,056</u>  | <u>\$ 61,277</u>                                 |
| <br>                         |                     |  |                                     |                   |  |
| \$ (66,689)                  | \$ (63,392)         | \$ 3,297   | \$ 21,149                           | \$ 93,706         | \$ 72,557  |
| <u>316,380</u>               | <u>316,380</u>      | <u>-</u>   | <u>230,304</u>                      | <u>230,304</u>    | <u>-</u>   |
| <u>\$ 249,691</u>            | <u>\$ 252,988</u>   | <u>\$ 3,297</u>                                  | <u>\$ 251,453</u>                   | <u>\$ 324,010</u> | <u>\$ 72,557</u>                                 |

## TOWN OF IOTA, LOUISIANA

STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE  
Years Ended June 30, 1999 and 1998

|   | Combined<br>Utilities Fund |                     |
|---|----------------------------|---------------------|
|   | <u>1999</u>                | <u>1998</u>         |
| Operating revenues:                       |                            |                     |
| Charges for services                      | \$ 432,787                 | \$ 473,820          |
| Miscellaneous                             | <u>1,357</u>               | <u>377</u>          |
|   | <u>\$ 434,144</u>          | <u>\$ 474,197</u>   |
| Operating expenses:                       |                            |                     |
| Personal services                         | \$ 167,129                 | \$ 148,095          |
| Fuel purchased                            | 83,119                     | 105,331             |
| Supplies and materials                    | 40,159                     | 63,294              |
| Heat, light and power                     | 22,902                     | 19,333              |
| Depreciation                              | 85,842                     | 70,264              |
| Benefit payments                          | 12,897                     | 11,541              |
| Other                                     | <u>105,223</u>             | <u>122,012</u>      |
|   | <u>\$ 517,271</u>          | <u>\$ 539,870</u>   |
| Operating loss                            | <u>\$ (83,127)</u>         | <u>\$ (65,673)</u>  |
| Non-operating revenue (expenses):         |                            |                     |
| Interest income                           | \$ 3,841                   | \$ 6,045            |
| Interest expense                          | (30,942)                   | (25,727)            |
| Grant income                              | 28,487                     | -                   |
| Loss on sale of fixed assets              | <u>-</u>                   | <u>(680)</u>        |
|   | <u>\$ 1,386</u>            | <u>\$ (20,362)</u>  |
| Loss before operating interfund transfers | <u>\$ (81,741)</u>         | <u>\$ (86,035)</u>  |
| Operating interfund transfers:            |                            |                     |
| Operating transfers in                    | \$ 48,746                  | \$ 5,000            |
| Operating transfers out                   | <u>(117,265)</u>           | <u>-</u>            |
| Total operating interfund transfers       | <u>\$ (68,519)</u>         | <u>\$ 5,000</u>     |
| Net loss                                  | \$ (150,260)               | \$ (81,035)         |
| Depreciation transferred to contributions | <u>5,292</u>               | <u>-</u>            |
| Decrease in retained earnings             | \$ (144,968)               | \$ (81,035)         |
| Retained earnings - beginning             | <u>(138,240)</u>           | <u>(57,205)</u>     |
| Retained earnings - ending                | <u>\$ (283,208)</u>        | <u>\$ (138,240)</u> |

See Notes to Financial Statements.

TOWN OF IOTA, LOUISIANA  
 STATEMENTS OF CASH FLOWS  
 PROPRIETARY FUND TYPE  
 Years Ended June 30, 1999 and 1998

|  | <u>1999</u>        | <u>1998</u>        |
|--|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |                    |                    |
| Operating income (loss)  | \$ (83,127)        | \$ (65,673)        |
| Adjustment to reconcile operating income to net cash used by operations: |                    |                    |
| Depreciation   | 85,842             | 70,264             |
| Change in assets and liabilities:  |                    |                    |
| Decrease (increase) in accounts receivable                               | 25,794             | (8,978)            |
| Decrease (increase) in grant receivable                                  | 53,547             | (56,862)           |
| Decrease (increase) in other receivables                                 | (15,973)           | -                  |
| Decrease (increase) in due from other funds                              | 115,691            | (12,747)           |
| Decrease (increase) in inventory   | (1,524)            | 933                |
| Decrease (increase) in prepaid expenses                                  | 3,793              | (1,191)            |
| Increase (decrease) in accounts payable                                  | (23,791)           | 29,650             |
| Increase (decrease) in retainage payable                                 | (46,624)           | 46,624             |
| Increase (decrease) in sales tax payable                                 | (185)              | (25)               |
| Increase (decrease) in accrued overtime payable                          | -                  | (6,823)            |
| Increase (decrease) in due to other funds                                | (40,865)           | -                  |
| Increase (decrease) in customer deposits                                 | 542                | 1,577              |
| Increase (decrease) in accrued payroll                                   | <u>138</u>         | <u>4,455</u>       |
| Net cash provided by operating activities                                | <u>\$ 73,258</u>   | <u>\$ 1,204</u>    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                   |                    |                    |
| Operating transfers in from other funds                                  | \$ 48,746          | \$ 5,000           |
| Operating transfers out to other funds                                   | <u>(117,265)</u>   | <u>-</u>           |
| Net cash provided (used) by noncapital financing activities              | <u>\$ (68,519)</u> | <u>\$ 5,000</u>    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>          |                    |                    |
| Bond issue proceeds  | \$ -               | \$ 700,000         |
| Acquisition of capital assets  | (27,149)           | (1,004,269)        |
| Principal paid on revenue bond maturities                                | (7,053)            | (50,000)           |
| Interest paid  | (36,070)           | (18,732)           |
| Capital contributions - rural development                                | 27,921             | 389,634            |
| Interim-loan proceeds  | -                  | 599,521            |
| Capital contributions - sales tax  | 24,294             | -                  |
| Principal paid on interim - loan   | <u>-</u>           | <u>(699,521)</u>   |
| Net cash used by capital and related financing activities                | <u>\$ (18,057)</u> | <u>\$ (83,367)</u> |
| Subtotals forward  | <u>\$ (13,318)</u> | <u>\$ (77,163)</u> |



TOWN OF IOTA, LOUISIANA

STATEMENTS OF CASH FLOWS  
 PROPRIETARY FUND TYPE (CONTINUED)  
 Years Ended June 30, 1999 and 1998

|  | <u>1999</u>        | <u>1998</u>        |
|--|--------------------|--------------------|
| Subtotals forwarded  | \$ <u>(13,318)</u> | \$ <u>(77,163)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |                    |
| Proceeds from sale of investments  | \$ 51,100          | \$ 2,565           |
| Purchase of investments  | (13,281)           | -                  |
| Purchase of fixed assets   | (5,187)            | (38,582)           |
| Interest received  | <u>3,865</u>       | <u>5,618</u>       |
| Net cash provided (used) from investing activities   | \$ <u>36,497</u>   | \$ <u>(30,399)</u> |
| Net increase (decrease) in cash and cash equivalents   | \$ 23,179          | \$ (107,562)       |
| Cash and cash equivalents, beginning of year<br>(Including \$4,114 and \$114,364 in restricted<br>cash as of June 30, 1998 and 1997, respectively) | <u>71,927</u>      | <u>179,489</u>     |
| Cash and cash equivalents, end of year<br>(Including \$23,484 and \$4,114 in restricted<br>cash as of June 30, 1999 and 1998, respectively)        | <u>\$ 95,106</u>   | <u>\$ 71,927</u>   |

See Notes to Financial Statements.

TOWN OF IOTA, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Town was incorporated in 1902, under the provisions of the Lawrason Act. The Town operates under a Mayor - Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police, highways and streets), sanitation, culture and recreation, public improvements, planning and zoning, and general administrative services.

The Town's financial statements include the accounts of all Town operations. There are no component units within the Town's reporting entity.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

- A. 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 of this report, into six generic fund types and three 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 sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

## NOTES TO FINANCIAL STATEMENTS

### 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 that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

### FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

- B. Fixed assets and long-term liabilities - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

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. General fixed assets including buildings and other improvements are capitalized, whereas items such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost.

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.

NOTES TO FINANCIAL STATEMENTS

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

|              |             |
|--------------|-------------|
| Buildings    | 33 years    |
| Improvements | 10-22 years |
| Equipment    | 3-10 years  |

- 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 measurements made, regardless of the measurement focus applied.

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued because of immateriality; and (2) principal and interest on general long-term debt which is recognized when due.

## NOTES TO FINANCIAL STATEMENTS

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue, grant revenue, and charges for services. Sales taxes collected and held by the parish school board at year-end on behalf of the Town also are recognized as revenue. Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

Proprietary funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989 be applied to proprietary activities unless they (FASB Statements and Interpretations, ARB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the Town of Iota will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

- D. Budgets and budgetary accounting - The Town follows these procedures for the budgetary data reflected in the financial statements:
1. Prior to July 1, the Mayor submits to the Town Council a proposed operating budget for the ensuing year. The operating budget includes proposed expenditures and the means of financing them.
  2. Public hearings are conducted at the Town Hall to obtain taxpayer comments.
  3. The budget is legally enacted through passage of a resolution.
  4. Budgets for the General, Special Revenue, and Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
  5. The budget is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Enterprise Fund.

## NOTES TO FINANCIAL STATEMENTS

All Budget appropriations lapse at year end. The budget presented is as amended by the Board of Aldermen. Expenditures may not legally exceed budgeted appropriations at the fund type level.

- E. Investments - Investments are stated at cost or amortized cost, which approximates market.
- F. Inventory - Inventory is valued at the lower of cost (first-in, first-out) or market.
- G. Bad debts - Uncollectible amounts due from customers' utility receivables are recognized as bad debts by use of the direct write-off method at the time information becomes available which would indicate the uncollectibility of the particular receivable.
- H. Cash and cash equivalents - For purposes of reporting cash flows, the Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- I. Total columns on Combined Statements - Overview - Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position 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.
- J. 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.

### Note 2. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 15 and are payable by December 31. The Town bills and collects its own property taxes. Town property tax revenues are recognized when levied to the extent that they result in current receivables.

The Town levies taxes at 27 mills on the dollar of assessed valuation of property. For the year ended June 30, 1999, the assessed valuation of property amounted to \$2,192,974. Taxes levied are dedicated to general corporate purposes, street maintenance, public drainage, and bridges.

NOTES TO FINANCIAL STATEMENTS

Note 3. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

|                                      | Balance<br>July 1,<br><u>1998</u> | <u>Additions</u> | <u>Deletions</u> | Balance<br>June 30,<br><u>1999</u> |
|--------------------------------------|-----------------------------------|------------------|------------------|------------------------------------|
| Land                                 | \$ 31,847                         | \$ -             | \$ -             | \$ 31,847                          |
| Building and improvements            | 72,027                            | -                | -                | 72,027                             |
| Improvements other than<br>buildings | 204,034                           | 55,695           | -                | 259,729                            |
| Equipment                            | <u>199,241</u>                    | <u>10,101</u>    | -                | <u>209,342</u>                     |
|                                      | <u>\$507,149</u>                  | <u>\$ 65,796</u> | <u>\$ -</u>      | <u>\$572,945</u>                   |

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

|                               | <u>Enterprise</u>  |
|-------------------------------|--------------------|
| Land                          | \$ 25,125          |
| Buildings                     | 25,672             |
| Distribution systems          | 1,718,178          |
| Equipment                     | 38,899             |
| Water treatment               | <u>1,053,051</u>   |
|                               | \$2,860,925        |
| Less accumulated depreciation | <u>1,114,601</u>   |
| Net                           | <u>\$1,746,324</u> |

Note 4. Changes in Long-Term Debt

The following is a summary of bond transactions of the Town for the year ended June 30, 1999.

|                                | <u>Revenue</u>   | Series 1993<br>General<br><u>Obligation</u> | <u>Total</u>     |
|--------------------------------|------------------|---|------------------|
| Bonds payable at June 30, 1998 | \$700,000        | \$ 55,000                                   | \$755,000        |
| Bonds retired                  | <u>7,053</u>     | <u>20,000</u>                               | <u>27,053</u>    |
| Bonds payable at June 30, 1999 | <u>\$692,947</u> | <u>\$ 35,000</u>                            | <u>\$727,947</u> |

NOTES TO FINANCIAL STATEMENTS

Bonds payable at June 30, 1999 are comprised of the following individual issues.

General obligation bonds: (secured by excess revenues of Town):

|   |                  |
|---|------------------|
| \$80,000 Public Improvement serial bonds due in annual installments of \$5,000 to \$10,000 through July 1, 2003, interest at 6-1/2%   | <u>\$ 35,000</u> |
| \$603,000 Utilities Series 1997A bonds due in monthly installments of \$2,835 through March 6, 2038, interest at 4.75% (this issue is being serviced - principal and interest - by the Combined Utilities Fund) | <u>\$596,924</u> |
| \$97,000 Utilities Series 1997B bonds due in monthly installments of \$456 through April 6, 2038, interest 4.75% (this issue is serviced - principal and interest - by the Combined Utilities Fund)             | <u>\$ 96,023</u> |

The annual requirements to amortize all debt outstanding as of June 30, 1999 including interest payments of \$805,525 are as follows:

| <u>Year Ending</u><br><u>June 30</u> | <u>Revenue</u>     | <u>General</u><br><u>Obligation</u> | <u>Total</u>       |
|--------------------------------------|--------------------|-------------------------------------|--------------------|
| 2000                                 | \$ 39,492          | \$ 12,275                           | \$ 51,767          |
| 2001                                 | 39,492             | 11,629                              | 51,121             |
| 2002                                 | 39,492             | 10,975                              | 50,467             |
| 2003                                 | 39,492             | 5,325                               | 44,817             |
| 2004                                 | 39,492             | -                                   | 39,492             |
| 2005 and thereafter                  | <u>1,295,808</u>   | <u>-</u>                            | <u>1,295,808</u>   |
|                                      | <u>\$1,493,268</u> | <u>\$ 40,204</u>                    | <u>\$1,533,472</u> |

\$113 is available in the Debt Service Fund to service the general obligation bonds.

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions with regards to both the Revenue and the General Obligation Bonds except as noted in item #99-3 on the schedule of findings and questioned costs.



NOTES TO FINANCIAL STATEMENTS

Note 5. Individual Fund Interfund Receivable and Payable Balances

The individual fund interfund receivable and payable balances at June 30, 1999 were as follows:

|                    | <u>Interfund<br/>Receivables</u> | <u>Interfund<br/>Payables</u> |
|--------------------|----------------------------------|-------------------------------|
| Enterprise fund:   |                                  |                               |
| Combined Utilities | \$ 6,319                         | \$ 6,881                      |
| Agency fund:       |                                  |                               |
| Payroll            | -                                | 7,655                         |
| General fund       | 4,902                            | -                             |
| Special revenue:   |                                  |                               |
| Sales tax fund     | <u>3,315</u>                     | <u>-</u>                      |
|                    | <u>\$ 14,536</u>                 | <u>\$ 14,536</u>              |

Note 6. Flow of Funds; Restrictions on Use - 1% Sales and Use Tax

The tax was levied for, and the proceeds dedicated, to the purpose of constructing, acquiring, extending, improving and/or maintaining sewers and sewage disposal works, a natural gas transmission system, drainage facilities, streets, waterworks, recreational facilities, public parks, public buildings and fire department stations and equipment, including fire engines, garbage collection and disposal facilities.

Note 7. Flow of Funds; Restrictions on Uses - Utility Revenue Bonds

Under the terms of the bond indenture on outstanding utilities revenue bonds dated April 6, 1998, all income and revenues (hereinafter referred to as revenue) earned from the operation of the sewer system are to be deposited into an account designated as the "Sewer Revenue Fund" and said fund is to be maintained and administered in the following order of priority and for the following express purposes.

- (a) The payment of all reasonable and necessary expenses of administering, operating and maintaining the sewer system from a fund designated as the "Maintenance and Operation Fund."
- (b) Each month there will be set aside into a "Sewer Revenue Bond Sinking Fund" \$2,835 for payment on Series 1997A Sewer Revenue Bonds and \$456 for payment on Series 1997B Sewer Revenue Bonds. Such transfers shall be made on or before the sixth day of each month, beginning May 6, 1999, to assure the prompt payment of principal and interest installments as they become due.

NOTES TO FINANCIAL STATEMENTS

- (c) Each month, there shall also be set aside into a "Sewer Revenue Bond Reserve Fund" an amount constituting 5% of the amounts required to be paid into the aforesaid "Sinking Fund" each month until such time as there has been accumulated into the "Reserve Fund" an amount equal to the highest annual debt service payable in any future year. The total amount that must be accumulated in the "Reserve Fund" is \$39,492, consisting of \$34,020 for Series 1997A Sewer Revenue Bonds and \$5,472 for Series 1997B Sewer Revenue Bonds.
- (d) Funds will also be set aside into a "Capital Additions and Contingency Fund" to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the utilities system. Transfers shall be made each month into this fund for \$172. Payments will continue as long as bonds are outstanding and the balance in this fund shall not be reduced without the permission of Rural Development.

Note 8. Deposits and Investments

For reporting purposes, deposits include cash and certificates of deposit. The Town may invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks having their principal office in the State of Louisiana, or any other federally insured investment. The Town may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. The deposits at June 30, 1999 were secured as follows:

|   | <u>Bank<br/>Balance</u> | <u>FDIC<br/>Insurance</u> | <u>Balance<br/>Uninsured</u> |
|---|-------------------------|---------------------------|------------------------------|
| Checking  | \$351,677               | \$100,000                 | \$251,677                    |
| Savings and certificates of deposit   | <u>194,221</u>          | <u>100,000</u>            | <u>94,221</u>                |
| Total   | <u>\$545,898</u>        | <u>\$200,000</u>          | \$345,898                    |
| Securities pledged and held by the<br>custodial bank in the name of the<br>Bank (Category II) |                         |                           | <u>490,967</u>               |
| Excess of FDIC insurance plus pledged<br>securities over cash and cash equivalents            |                         |                           | <u>\$145,069</u>             |

Note 9. Deficit Fund Balance and Retained Earnings of Individual Funds

The combined utility fund has a deficit retained earnings balance of \$283,208. This deficit retained earnings balance is primarily due to depreciation expense taken each year. Management policy is to reduce this deficit retained earnings through annual net income of this utility fund.

## NOTES TO FINANCIAL STATEMENTS

### Note 10. Federal Financial Assistance

The Town received federal assistance through the Rural Development Office under the Community Facilities Loan Program for improvements to the sewer system and for the purchase of fixed assets for the sewer department. As of June 30, 1999, the funding to the Town consisted of both grant and loan monies. As of June 30, 1999, the new wastewater treatment plant was accepted as being substantially complete. Total federal funds received and expended under this project totaled \$1,119,532 at June 30, 1999. Of this amount, \$692,947 constitutes outstanding Sewer Revenue Bonds payable.

### Note 11. Contingencies

As of June 30, 1999, the Town of Iota had a dispute over the accuracy of engineering fees charged for work performed on their proposal for construction of a new water plant. This proposal was previously defeated in a public election by Town citizens. It is the position of the Town that since the proposition put before the voters to issue bonds for the project failed, that the amounts billed are in error. The disputed fees total \$46,366. Since the Town's management feels that a successful prosecution is unlikely, no amounts have been provided for in the financial statements.

### Note 12. Risk Management

The Town of Iota is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance.

### Note 13. Year 2000 Issue

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 1999.

The Town's management has identified and replaced some of its existing computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary in conducting the Town's operations and is in the process of replacing other such systems and equipment. Based upon this, the Town is in both the remediation and the validation stages. Once these stages are complete, testing will be required.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the Town is or will be Year 2000 ready, or that parties with whom the Town does business will be Year 2000 ready.

NOTES TO FINANCIAL STATEMENTS

Note 14. Reclassifications of Certain Items in Financial Statements

Certain items in the financial statements as of June 30, 1998 have been reclassified to be consistent with the classifications adopted for the year ended June 30, 1999 with no effect on net income or excess/deficiency of revenues over expenditures.

Note 15. Contributed Capital and Retained Earnings

The change in the Town's contributed capital account for the enterprise fund is as follows:

|   |                    |
|---|--------------------|
| Beginning balance, contributed capital                      | \$1,486,393        |
| Add: Current year capital contribution                      | 29,020             |
| Less: Current year depreciation from<br>contributed sources | <u>(5,292)</u>     |
| Ending balance, contributed capital                         | <u>\$1,510,121</u> |

Effective July 1, 1998, the Town has elected to apply GASB's Codification, Section G60.116 which allows enterprise funds to close out depreciation expense recognized on assets contributed by governments outside the financial reporting entity (i.e., grants, entitlements, or shared revenues) to contributed capital rather than to retained earnings.

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FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

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GENERAL FUND

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



TOWN OF IOTA, LOUISIANA  
GENERAL FUND

BALANCE SHEETS  
June 30, 1999 and 1998

| ASSETS                       | <u>1999</u>      | <u>1998</u>      |
|------------------------------|------------------|------------------|
| Cash                         | \$ 72,690        | \$ 43,531        |
| Accounts receivable          | 1,237            | 2,157            |
| Grant receivable             | -                | 7,964            |
| Due from employees           | 88               | -                |
| Due from other funds         | <u>4,902</u>     | <u>2,684</u>     |
|                              | <u>\$ 78,917</u> | <u>\$ 56,336</u> |
| LIABILITIES AND FUND BALANCE |                  |                  |
| LIABILITIES                  |                  |                  |
| Accounts payable             | \$ 6,393         | \$ 6,541         |
| Accrued expenses             | 1,502            | 1,248            |
| Due to other funds           | <u>-</u>         | <u>134,623</u>   |
|                              | \$ 7,895         | \$142,412        |
| FUND BALANCE                 | <u>71,022</u>    | <u>(86,076)</u>  |
|                              | <u>\$ 78,917</u> | <u>\$ 56,336</u> |

TOWN OF IOTA, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

|                                   | <u>1999</u>      |                  |   | <u>1998</u>      |
|-----------------------------------|------------------|------------------|---|------------------|
|                                   | <u>Budget</u>    | <u>Actual</u>    | Variance-<br>Favorable<br>(Unfavorable) | <u>Actual</u>    |
| <b>Revenues:</b>                  |                  |                  |   |                  |
| <b>Taxes:</b>                     |                  |                  |   |                  |
| Ad valorem taxes                  | \$ 57,000        | \$ 59,141        | \$ 2,141                                | \$ 57,880        |
| Electric franchise tax            | 37,000           | 37,558           | 558                                     | 39,339           |
| Telephone tax                     | 5,800            | 4,406            | (1,394)                                 | 4,167            |
| Cable TV franchise                | <u>1,500</u>     | <u>1,548</u>     | <u>48</u>                               | <u>1,460</u>     |
|                                   | <u>\$101,300</u> | <u>\$102,653</u> | <u>\$ 1,353</u>                         | <u>\$102,846</u> |
| <b>Licenses and permits:</b>      |                  |                  |   |                  |
| Occupational licenses             | \$ 9,300         | \$ 10,824        | \$ 1,524                                | \$ 11,762        |
| Insurance licenses                | 21,000           | 22,468           | 1,468                                   | 32,632           |
| Liquor licenses                   | 1,375            | 1,300            | (75)                                    | 1,500            |
| Building permits                  | <u>600</u>       | <u>611</u>       | <u>11</u>                               | <u>444</u>       |
|                                   | <u>\$ 32,275</u> | <u>\$ 35,203</u> | <u>\$ 2,928</u>                         | <u>\$ 46,338</u> |
| <b>Intergovernmental revenue:</b> |                  |                  |   |                  |
| Beer tax                          | \$ 2,300         | \$ 2,892         | \$ 592                                  | \$ 2,696         |
| Tobacco tax                       | 4,900            | 6,534            | 1,634                                   | 6,534            |
| Gaming commissions                | 13,000           | 11,865           | (1,135)                                 | 12,149           |
| Police grant                      | <u>-</u>         | <u>-</u>         | <u>-</u>                                | <u>5,407</u>     |
|                                   | <u>\$ 20,200</u> | <u>\$ 21,291</u> | <u>\$ 1,091</u>                         | <u>\$ 26,786</u> |
| <b>Charges for services:</b>      |                  |                  |   |                  |
| Court cost                        | <u>\$ 3,400</u>  | <u>\$ 3,520</u>  | <u>\$ 120</u>                           | <u>\$ 2,955</u>  |
| <b>Fines and forfeits:</b>        |                  |                  |   |                  |
| Fines                             | \$ 3,700         | \$ 3,933         | \$ 233                                  | \$ 3,992         |
| Interest and penalties            | <u>400</u>       | <u>435</u>       | <u>35</u>                               | <u>264</u>       |
|                                   | <u>\$ 4,100</u>  | <u>\$ 4,368</u>  | <u>\$ 268</u>                           | <u>\$ 4,256</u>  |
| <b>Total revenues (forward)</b>   | <u>\$161,275</u> | <u>\$167,035</u> | <u>\$ 5,760</u>                         | <u>\$183,181</u> |

TOWN OF IOTA, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

|  | 1999        |             | Variance-<br>Favorable<br>(Unfavorable) | 1998        |
|--|-------------|-------------|---|-------------|
|  | Budget      | Actual      |   | Actual      |
| Total revenues forwarded   | \$ 161,275  | \$ 167,035  | \$ 5,760                                | \$ 183,181  |
| Miscellaneous revenue:   |             |             |   |             |
| Interest income  | \$ 400      | \$ 537      | \$ 137                                  | \$ 884      |
| Grant revenue  | 25,000      | 25,000      | -                                       | -           |
| Gain on sale of assets   | -           | 800         | 800                                     | 500         |
| Other  | 4,350       | 31,032      | 26,682                                  | 3,004       |
|  | \$ 29,750   | \$ 57,369   | \$ 27,619                               | \$ 4,388    |
| Total revenues   | \$ 191,025  | \$ 224,404  | \$ 33,379                               | \$ 187,569  |
| Expenditures:  |             |             |   |             |
| Current operating:   |             |             |   |             |
| General government   | \$ 43,555   | \$ 52,417   | \$ (8,862)                              | \$ 66,690   |
| Public safety  | 103,625     | 94,423      | 9,202                                   | 84,415      |
| Highways and streets   | 101,500     | 58,407      | 43,093                                  | 46,866      |
| Culture and recreation   | 850         | 1,096       | (246)                                   | 1,166       |
| Capital outlay   | -           | 52,277      | (52,277)                                | 786         |
| Total expenditures   | \$ 249,530  | \$ 258,620  | \$ (9,090)                              | \$ 199,923  |
| Deficiency of revenues over expenditures   | \$ (58,505) | \$ (34,216) | \$ 24,289                               | \$ (12,354) |
| Other financing sources (uses):  |             |             |   |             |
| Transfers to other funds   | \$ (15,090) | \$ (13,303) | \$ 1,787                                | \$ (12,500) |
| Transfers from other funds   | 161,433     | 204,617     | 43,184                                  | 2,027       |
| Total other financing sources  | \$ 146,343  | \$ 191,314  | \$ 44,971                               | \$ (10,473) |
| Excess (deficiency) of revenues and other sources over expenditures (totals forward) | \$ 87,838   | \$ 157,098  | \$ 69,260                               | \$ (22,827) |

TOWN OF IOTA, LOUISIANA  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

|   | <u>1999</u>     |                  | <u>1998</u>                                      |
|---|-----------------|------------------|--|
|   | <u>Budget</u>   | <u>Actual</u>    | <u>Actual</u>                                    |
|   |                 |                  | <u>Variance-<br/>Favorable<br/>(Unfavorable)</u> |
| Deficiency of revenues and other<br>sources over expenditures<br>(totals forwarded) | \$ 87,838       | \$ 157,098       | \$ 69,260  |
| Fund balance (deficit) - beginning  | <u>(86,076)</u> | <u>(86,076)</u>  | <u>-</u>   |
| Fund balance (deficit) - ending   | <u>\$ 1,762</u> | <u>\$ 71,022</u> | <u>\$ 69,260</u>                                 |

TOWN OF IOTA, LOUISIANA  
GENERAL FUND

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

|                           | <u>1999</u>      |                  | Variance-         | <u>1998</u>      |
|---------------------------|------------------|------------------|-------------------|------------------|
|                           | <u>Budget</u>    | <u>Actual</u>    | Favorable         | <u>Actual</u>    |
|                           |                  |                  | (Unfavorable)     |                  |
| General government:       |                  |                  |                   |                  |
| Salaries                  | \$ 11,500        | \$ 14,400        | \$ (2,900)        | \$ 11,700        |
| Payroll taxes             | 875              | 1,102            | (227)             | 895              |
| Auditing                  | 4,800            | 4,500            | 300               | 6,047            |
| Office supplies           | 900              | 888              | 12                | 60               |
| Postage and telephone     | 4,650            | 4,523            | 127               | 2,796            |
| Insurance                 | 8,000            | 4,585            | 3,415             | 5,573            |
| Utilities                 | 3,850            | 3,418            | 432               | 3,781            |
| Miscellaneous             | 5,880            | 12,593           | (6,713)           | 9,307            |
| Bridge expense            | -                | 4,156            | (4,156)           | 26,457           |
| Repairs and maintenance   | <u>3,100</u>     | <u>2,252</u>     | <u>848</u>        | <u>74</u>        |
|                           | <u>\$ 43,555</u> | <u>\$ 52,417</u> | <u>\$ (8,862)</u> | <u>\$ 66,690</u> |
| Public safety:            |                  |                  |                   |                  |
| Police salaries           | \$ 57,000        | \$ 54,885        | \$ 2,115          | \$ 47,292        |
| Payroll taxes             | 4,500            | 4,254            | 246               | 3,492            |
| Auto                      | 9,800            | 10,544           | (744)             | 7,471            |
| Telephone                 | 1,900            | 1,821            | 79                | 1,687            |
| Miscellaneous             | 2,625            | 3,629            | (1,004)           | 2,271            |
| Supplies                  | 3,200            | 3,101            | 99                | 1,757            |
| Insurance                 | 21,600           | 11,842           | 9,758             | 19,421           |
| Group insurance           | -                | 1,453            | (1,453)           | -                |
| Police auxiliary expenses | <u>3,000</u>     | <u>2,894</u>     | <u>106</u>        | <u>1,024</u>     |
|                           | <u>\$103,625</u> | <u>\$ 94,423</u> | <u>\$ 9,202</u>   | <u>\$ 84,415</u> |
| Highways and streets:     |                  |                  |                   |                  |
| Supplies and materials    | \$ 32,000        | \$ 29,664        | \$ 2,336          | \$ 20,608        |
| Repairs and maintenance   | 47,000           | 8,601            | 38,399            | 3,350            |
| Gas, oil, and tires       | 5,300            | 5,326            | (26)              | 4,338            |
| Utilities                 | 12,500           | 12,210           | 290               | 13,580           |
| Insurance                 | 3,650            | 1,656            | 1,994             | 3,979            |
| Miscellaneous             | <u>1,050</u>     | <u>950</u>       | <u>100</u>        | <u>1,011</u>     |
|                           | <u>\$101,500</u> | <u>\$ 58,407</u> | <u>\$ 43,093</u>  | <u>\$ 46,866</u> |
| Subtotals forward         | <u>\$248,680</u> | <u>\$205,247</u> | <u>\$ 43,433</u>  | <u>\$197,971</u> |

TOWN OF IOTA, LOUISIANA  
GENERAL FUND

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

|                         | <u>1999</u>      |                  |  | <u>1998</u>      |
|-------------------------|------------------|------------------|--|------------------|
|                         | <u>Budget</u>    | <u>Actual</u>    | Variance-<br>Favorable<br><u>(Unfavorable)</u> | <u>Actual</u>    |
| Subtotals forwarded     | \$248,680        | \$205,247        | \$ 43,433                                      | \$197,971        |
| Culture and recreation: |                  |                  |  |                  |
| Becnel Park expense     | 850              | 1,096            | (246)  | 1,166            |
| Capital outlay          | <u>-</u>         | <u>52,277</u>    | <u>(52,277)</u>                                | <u>786</u>       |
| Total expenditures      | <u>\$249,530</u> | <u>\$258,620</u> | <u>\$ (9,090)</u>                              | <u>\$199,923</u> |

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SPECIAL REVENUE FUND

SALES TAX FUND - to account for the collection and disbursement of the Town's one (1) percent sales tax.



TOWN OF IOTA, LOUISIANA  
SPECIAL REVENUE FUND  
SALES TAX FUND

BALANCE SHEETS  
June 30, 1999 and 1998

| ASSETS                       | <u>1999</u>      | <u>1998</u>      |
|------------------------------|------------------|------------------|
| Cash                         | \$127,538        | \$151,819        |
| Investments, at cost         | 130,526          | 98,842           |
| Accounts receivable          | 8,933            | 6,957            |
| Accrued interest receivable  | 453              | 406              |
| Due from other funds         | <u>3,315</u>     | <u>63,264</u>    |
|                              | <u>\$270,765</u> | <u>\$321,288</u> |
| LIABILITIES AND FUND BALANCE |                  |                  |
| LIABILITIES                  |                  |                  |
| Accounts payable             | \$ 17,777        | \$ 4,908         |
| FUND BALANCE                 | <u>252,988</u>   | <u>316,380</u>   |
|                              | <u>\$270,765</u> | <u>\$321,288</u> |

TOWN OF IOTA, LOUISIANA  
SPECIAL REVENUE FUND  
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

|   | <u>1999</u>      |                  |   | <u>1998</u>      |
|---|------------------|------------------|---|------------------|
|   | <u>Budget</u>    | <u>Actual</u>    | Variance-<br>Favorable<br>(Unfavorable) | <u>Actual</u>    |
| Revenues:   |                  |                  |   |                  |
| Taxes:  |                  |                  |   |                  |
| Sales tax   | \$116,900        | \$121,720        | \$ 4,820                                | \$115,436        |
| Miscellaneous revenue:  |                  |                  |   |                  |
| Interest income   | <u>3,000</u>     | <u>5,511</u>     | <u>2,511</u>                            | <u>4,836</u>     |
| Total revenues  | <u>\$119,900</u> | <u>\$127,231</u> | <u>\$ 7,331</u>                         | <u>\$120,272</u> |
| Expenditures:   |                  |                  |   |                  |
| Current:  |                  |                  |   |                  |
| General government:   |                  |                  |   |                  |
| Engineering and consulting  | \$ 1,500         | \$ 1,461         | \$ 39                                   | \$ 679           |
| Collection fees   | 1,800            | 1,826            | (26)                                    | 1,988            |
| Printing, stationery and<br>supplies  | 3,950            | 4,183            | (233)                                   | 5,127            |
| Repairs and maintenance   | 7,000            | 2,642            | 4,358                                   | 15,682           |
| Audit fees  | 4,500            | 4,225            | 275                                     | 5,022            |
| Insurance   | -                | 838              | (838)                                   | -                |
| Miscellaneous   | <u>7,275</u>     | <u>5,743</u>     | <u>1,532</u>                            | <u>8,673</u>     |
|   | \$ 26,025        | \$ 20,918        | \$ 5,107                                | \$ 37,171        |
| Capital outlay  | <u>10,000</u>    | <u>35,447</u>    | <u>(25,447)</u>                         | <u>42,710</u>    |
| Total expenditures  | <u>\$ 36,025</u> | <u>\$ 56,365</u> | <u>\$(20,340)</u>                       | <u>\$ 79,881</u> |
| Excess of revenues over<br>expenditures   | \$ 83,875        | \$ 70,866        | \$(13,009)                              | \$ 40,391        |
| Other sources (uses):   |                  |                  |   |                  |
| Transfers to other funds  | <u>(150,564)</u> | <u>(134,258)</u> | <u>16,306</u>                           | <u>(7,027)</u>   |
| Excess (deficiency) of<br>revenues and other<br>sources over expenditures<br>and other uses | \$(66,689)       | \$(63,392)       | \$ 3,297                                | \$ 33,364        |
| Fund balance - beginning  | <u>316,380</u>   | <u>316,380</u>   | -                                       | <u>283,016</u>   |
| Fund balance - ending   | <u>\$249,691</u> | <u>\$252,988</u> | <u>\$ 3,297</u>                         | <u>\$316,380</u> |

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DEBT SERVICE FUNDS

1993 CERTIFICATE OF INDEBTEDNESS - to accumulate monies for payment of the 1993 \$80,000 6.5% Certificates of Indebtedness for the purpose of replacing various bridges in the Town of Iota.

TOWN OF IOTA, LOUISIANA  
 DEBT SERVICE FUND  
 1993 CERTIFICATE OF INDEBTEDNESS

BALANCE SHEETS  
 June 30, 1999 and 1998

|                              | <u>1999</u>    | <u>1998</u>      |
|------------------------------|----------------|------------------|
| ASSETS                       |                |                  |
| Cash Sinking Fund            | <u>\$ 113</u>  | <u>\$ 11,900</u> |
| FUND BALANCE                 |                |                  |
| FUND BALANCE                 |                |                  |
| Reserved for debt retirement | \$ 1,138       | \$ 11,773        |
| Unreserved                   | <u>(1,025)</u> | <u>127</u>       |
|                              | <u>\$ 113</u>  | <u>\$ 11,900</u> |

TOWN OF IOTA, LOUISIANA  
DEBT SERVICE FUND  
1993 CERTIFICATES OF INDEBTEDNESS

STATEMENTS OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
Years Ended June 30, 1999 and 1998

|  | <u>1999</u>      | <u>1998</u>      |
|--|------------------|------------------|
| Expenditures:  |                  |                  |
| Debt service:  |                  |                  |
| Principal retirement   | \$ 20,000        | \$ 5,000         |
| Interest coupons paid  | <u>3,250</u>     | <u>3,754</u>     |
|  | <u>\$ 23,250</u> | <u>\$ 8,754</u>  |
| Deficiency of revenues over expenditures   | \$(23,250)       | \$ (8,754)       |
| Other financing sources (uses):  |                  |                  |
| Transfers from other funds   | <u>11,463</u>    | <u>12,500</u>    |
| Excess (deficiency) of revenues and other<br>financing sources over expenditures and<br>other financing uses | \$(11,787)       | \$ 3,746         |
| Fund balance - beginning   | <u>11,900</u>    | <u>8,154</u>     |
| Fund balance - end of year   | <u>\$ 113</u>    | <u>\$ 11,900</u> |

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ENTERPRISE FUND

COMBINED UTILITIES FUND - to account for the provision of gas, water and sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.



TOWN OF IOTA, LOUISIANA  
COMBINED UTILITIES FUND

BALANCE SHEETS  
June 30, 1999 and 1998

| ASSETS   | <u>1999</u>        | <u>1998</u>        |
|--|--------------------|--------------------|
| <b>CURRENT ASSETS</b>  |                    |                    |
| Cash   | \$ 71,622          | \$ 67,813          |
| Certificates of deposit  | 29,928             | 28,442             |
| Accounts receivable  | 50,027             | 60,094             |
| Grants receivable  | 3,315              | 56,862             |
| Accrued interest receivable  | 674                | 698                |
| Other receivables  | 246                | -                  |
| Due from other funds   | 6,319              | 122,010            |
| Inventory - supplies, at cost (FIFO)   | 13,340             | 11,816             |
| Prepaid insurance  | <u>4,385</u>       | <u>8,178</u>       |
| Total current assets   | <u>\$ 179,856</u>  | <u>\$ 355,913</u>  |
| <b>RESTRICTED ASSETS</b>   |                    |                    |
| Bond reserve account   | \$ 495             | \$ -               |
| Bond capital additions and contingencies account   | 516                | -                  |
| Revenue bond and interest sinking fund   | 17,298             | -                  |
| Customers' deposits:   |                    |                    |
| Cash   | 5,175              | 4,114              |
| Certificates of deposit  | 33,766             | 32,560             |
| Certificates of deposit - Sewer Grant  | -                  | 27,923             |
| Reserve - sewer improvements (CD)  | <u>-</u>           | <u>9,167</u>       |
|  | <u>\$ 57,250</u>   | <u>\$ 73,764</u>   |
| PLANT AND EQUIPMENT, at cost, net of accumulated depreciation of \$1,114,601 and \$1,028,759 at June 30, 1999 and 1998, respectively | <u>\$1,746,324</u> | <u>\$1,797,959</u> |
|  | <u>\$1,983,430</u> | <u>\$2,227,636</u> |

| LIABILITIES AND FUND EQUITY           | <u>1999</u>           | <u>1998</u>           |
|---------------------------------------|-----------------------|-----------------------|
| <b>CURRENT LIABILITIES</b>            |                       |                       |
| Payable from current assets:          |                       |                       |
| Accounts payable                      | \$ 14,600             | \$ 38,391             |
| Retainage payable                     | -                     | 46,624                |
| Sales tax payable                     | 662                   | 847                   |
| Accrued payroll                       | 4,593                 | 4,455                 |
| Due to other funds                    | <u>6,881</u>          | <u>47,746</u>         |
|                                       | <u>\$ 26,736</u>      | <u>\$ 138,063</u>     |
| <br>Payable from restricted assets:   |                       |                       |
| Revenue bonds payable                 | \$ 6,722              | \$ 1,042              |
| Accrued interest payable              | 2,615                 | 7,743                 |
| Customers' deposits                   | <u>34,219</u>         | <u>33,677</u>         |
|                                       | <u>\$ 43,556</u>      | <u>\$ 42,462</u>      |
| <br>Total current liabilities         | <br>\$ 70,292         | <br>\$ 180,525        |
| <b>OTHER LIABILITIES</b>              |                       |                       |
| Revenue bonds payable                 | <u>686,225</u>        | <u>698,958</u>        |
| <br>Total liabilities                 | <br><u>\$ 756,517</u> | <br><u>\$ 879,483</u> |
| <b>FUND EQUITY</b>                    |                       |                       |
| Contributed capital                   | <u>\$1,510,121</u>    | <u>\$1,486,393</u>    |
| Retained earnings:                    |                       |                       |
| Reserved for revenue bond retirement  | \$ 8,456              | \$ -                  |
| Reserved for revenue bond contingency | 516                   | -                     |
| Reserved for customer deposits        | 4,722                 | -                     |
| Reserved for sewer improvements       | -                     | 37,090                |
| Unreserved                            | <u>(296,902)</u>      | <u>(175,330)</u>      |
|                                       | <u>\$ (283,208)</u>   | <u>\$ (138,240)</u>   |
|                                       | <u>\$1,983,430</u>    | <u>\$2,227,636</u>    |

TOWN OF IOTA, LOUISIANA  
COMBINED UTILITIES FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

|                                | 1999      |           |   | 1998      |
|--------------------------------|-----------|-----------|---|-----------|
|                                | Budget    | Actual    | Variance-<br>Favorable<br>(Unfavorable) | Actual    |
| Operating revenues:            |           |           |   |           |
| Charges for services:          |           |           |   |           |
| Natural gas sales              | \$182,700 | \$184,815 | \$ 2,115                                | \$224,188 |
| Water sales                    | 135,000   | 143,676   | 8,676                                   | 144,521   |
| Sewer fees                     | 89,500    | 96,150    | 6,650                                   | 97,139    |
| Reconnection charge            | 1,000     | 1,725     | 725                                     | 2,425     |
| Overdue penalty                | 4,750     | 6,146     | 1,396                                   | 4,853     |
| Customer transfer fee          | 500       | 275       | (225)                                   | 550       |
| Bad debt recovery              | -         | -         | -                                       | 144       |
|                                | \$413,450 | \$432,787 | \$ 19,337                               | \$473,820 |
| Miscellaneous revenue          | 200       | 1,357     | 1,157                                   | 377       |
| Total revenue (totals forward) | \$413,650 | \$434,144 | \$ 20,494                               | \$474,197 |
| Operating expenses:            |           |           |   |           |
| Personal services:             |           |           |   |           |
| Salaries and wages             | \$160,000 | \$167,129 | \$ (7,129)                              | \$148,095 |
| Fuel purchased                 | \$ 86,000 | \$ 83,119 | \$ 2,881                                | \$105,331 |
| Supplies and materials:        |           |           |   |           |
| Gas system                     | \$ 5,500  | \$ 5,484  | \$ 16                                   | \$ 6,235  |
| Water system                   | 30,000    | 28,497    | 1,503                                   | 47,375    |
| Sewer system                   | 5,500     | 6,178     | (678)                                   | 9,684     |
|                                | \$ 41,000 | \$ 40,159 | \$ 841                                  | \$ 63,294 |
| Heat, light and power:         |           |           |   |           |
| Gas system                     | \$ 1,050  | \$ 953    | \$ 97                                   | \$ 993    |
| Water system                   | 14,500    | 14,684    | (184)                                   | 14,524    |
| Sewer system                   | 3,300     | 7,265     | (3,965)                                 | 3,816     |
|                                | \$ 18,850 | \$ 22,902 | \$ (4,052)                              | \$ 19,333 |
| Depreciation                   | \$132,000 | \$ 85,842 | \$ 46,158                               | \$ 70,264 |
| Subtotals forward              | \$437,850 | \$399,151 | \$ 38,699                               | \$406,317 |

TOWN OF IOTA, LOUISIANA  
COMBINED UTILITIES FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

|                                    | 1999              |                   | Variance-<br>Favorable<br>(Unfavorable) | 1998              |
|------------------------------------|-------------------|-------------------|---|-------------------|
|                                    | Budget            | Actual            |   | Actual            |
| Operating revenues:                |                   |                   |   |                   |
| Totals forwarded                   | \$ 413,650        | \$ 434,144        | \$ 20,494                               | \$ 474,197        |
| Operating expenses:                |                   |                   |   |                   |
| Subtotals forwarded                | \$ 437,850        | \$ 399,151        | \$ 38,699                               | \$ 406,317        |
| Operating expenses (continued):    |                   |                   |   |                   |
| Benefit payments:                  |                   |                   |   |                   |
| Payroll taxes                      | \$ 11,900         | \$ 12,897         | \$ (997)                                | \$ 11,541         |
| Other operating expenses:          |                   |                   |   |                   |
| Repairs and maintenance:           |                   |                   |   |                   |
| Gas system                         | \$ 6,000          | \$ 8,994          | \$ (2,994)                              | \$ 6,007          |
| Water system                       | 30,000            | 13,221            | 16,779                                  | 44,223            |
| Sewer system                       | 4,500             | 11,021            | (6,521)                                 | 5,555             |
| Miscellaneous:                     |                   |                   |   |                   |
| Gas system                         | 600               | 771               | (171)                                   | 1,189             |
| Water system                       | 500               | 10                | 490                                     | 517               |
| Sewer system                       | 700               | 778               | (78)                                    | 2,430             |
| Printing, stationery, and supplies | 3,700             | 4,810             | (1,110)                                 | 3,815             |
| Insurance                          | 26,500            | 19,092            | 7,408                                   | 14,361            |
| Group insurance                    | -                 | 4,282             | (4,282)                                 | -                 |
| Superintendent's truck expense     | 3,000             | 3,387             | (387)                                   | 3,471             |
| Bad debts                          | -                 | 1,000             | (1,000)                                 | 1,137             |
| Auditing and accounting            | 4,900             | 4,500             | 400                                     | 5,149             |
| Legal fees                         | 200               | 1,260             | (1,060)                                 | 188               |
| EPA permit                         | 1,000             | -                 | 1,000                                   | 694               |
| Miscellaneous general expense      | 19,000            | 27,325            | (8,325)                                 | 20,305            |
| Equipment rent                     | -                 | -                 | -                                       | 9,000             |
| Water plant phone                  | 700               | 699               | 1                                       | 1,272             |
| Sewer plant phone                  | -                 | 879               | (879)                                   | -                 |
| Appropriation - auxiliary police   | 1,700             | 1,471             | 229                                     | 1,744             |
| Engineering services               | -                 | 1,723             | (1,723)                                 | 955               |
|                                    | <u>\$ 103,000</u> | <u>\$ 105,223</u> | <u>\$ (2,223)</u>                       | <u>\$ 122,012</u> |
| Total operating expenses           | \$ 552,750        | \$ 517,271        | \$ 35,479                               | \$ 539,870        |
| Operating loss (totals forward)    | \$ (139,100)      | \$ (83,127)       | \$ 55,973                               | \$ (65,673)       |

TOWN OF IOTA, LOUISIANA  
COMBINED UTILITIES FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended June 30, 1999  
With Comparative Actual Amounts for Year Ended June 30, 1998

|   | <u>1999</u>         |                     | Variance-<br>Favorable<br>(Unfavorable) | <u>1998</u>        |
|---|---------------------|---------------------|---|--------------------|
|   | <u>Budget</u>       | <u>Actual</u>       |   | <u>Actual</u>      |
| Operating loss (totals forwarded)         | <u>\$ (139,100)</u> | <u>\$ (83,127)</u>  | <u>\$ 55,973</u>                        | <u>\$ (65,673)</u> |
| Non-operating revenues and expenses):     |                     |                     |   |                    |
| Interest income                           | \$ -                | \$ 3,841            | \$ 3,841                                | \$ 6,045           |
| Interest expense                          | (80,000)            | (30,942)            | 49,058                                  | (25,727)           |
| Grant income                              | -                   | 28,487              | 28,487                                  | -                  |
| Loss on sale of fixed assets              | -                   | -                   | -                                       | (680)              |
|   | <u>\$ (80,000)</u>  | <u>\$ 1,386</u>     | <u>\$ 81,386</u>                        | <u>\$ (20,362)</u> |
| Loss before operating interfund transfers | <u>\$ (219,100)</u> | <u>\$ (81,741)</u>  | <u>\$ 137,359</u>                       | <u>\$ (86,035)</u> |
| Operating interfund transfers:            |                     |                     |   |                    |
| Operating transfers in                    | \$ 109,936          | \$ 48,746           | \$ (61,190)                             | \$ 5,000           |
| Operating transfers out                   | <u>(117,265)</u>    | <u>(117,265)</u>    | <u>-</u>                                | <u>-</u>           |
| Total operating interfund transfers       | <u>\$ (7,329)</u>   | <u>\$ (68,519)</u>  | <u>\$ (61,190)</u>                      | <u>\$ 5,000</u>    |
| Net loss                                  | <u>\$ (226,429)</u> | <u>\$ (150,260)</u> | <u>\$ 76,169</u>                        | <u>\$ (81,035)</u> |
| Depreciation transferred to contributions |                     | <u>5,292</u>        |   |                    |
| Decrease in retained earnings             |                     | <u>\$ (144,968)</u> |   |                    |

TOWN OF IOTA, LOUISIANA  
COMBINED UTILITIES FUNDSTATEMENTS OF CHANGES IN RETAINED EARNINGS  
Years Ended June 30, 1999 and 1998

|                    | <u>1999</u>         | <u>1998</u>         |
|--------------------|---------------------|---------------------|
| Balance, beginning | \$ (138,240)        | \$ (57,205)         |
| Net income (loss)  | <u>(144,968)</u>    | <u>(81,035)</u>     |
| Balance, ending    | <u>\$ (283,208)</u> | <u>\$ (138,240)</u> |

TOWN OF IOTA, LOUISIANA  
COMBINED UTILITIES FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS -  
RESTRICTED ACCOUNTS REQUIRED BY BOND ORDINANCE  
Year Ended June 30, 1999

|   | <u>Bond and<br/>Interest<br/>Sinking<br/>Fund</u> | <u>Reserve<br/>Fund</u> | <u>Capital<br/>Additions &amp;<br/>Contingency<br/>Fund</u> | <u>Reserved<br/>for<br/>Sewer<br/>Improve-<br/>ments</u> | <u>Total</u>     |
|---|---|-------------------------|---|--|------------------|
| Cash and investments -<br>beginning of year       | \$ -  | \$ -                    | \$ -  | \$ 9,167   | \$ 9,167         |
| Cash receipts:                                    |   |                         |   |  |                  |
| Transfers from<br>operating account               | \$ 9,973  | \$ 595                  | \$ 616  | \$ -   | \$ 11,184        |
| Grant proceeds to<br>pay interest                 | 12,768  | -                       | -   | -  | 12,768           |
| Transfer from sewer<br>certificates of<br>deposit | 37,818  | -                       | -   | -  | 37,818           |
| Interest earned on<br>investments                 | -   | -                       | -   | 173  | 173              |
|   | <u>\$ 60,559</u>                                  | <u>\$ 595</u>           | <u>\$ 616</u>   | <u>\$ 173</u>  | <u>\$ 61,943</u> |
| Total cash and<br>investments<br>available        | <u>\$ 60,559</u>                                  | <u>\$ 595</u>           | <u>\$ 616</u>   | <u>\$ 9,340</u>  | <u>\$ 71,110</u> |
| Cash disbursements:                               |   |                         |   |  |                  |
| Payment on matured<br>bonds and interest          | \$ 43,123   | \$ -                    | \$ -  | \$ -   | \$ 43,123        |
| Disbursement to Town                              | 100   | 100                     | 100   | -  | 300              |
| Transfer to sinking<br>fund                       | -   | -                       | -   | 9,340  | 9,340            |
| Check printing fee                                | 38  | -                       | -   | -  | 38               |
| Total<br>disbursements                            | <u>\$ 43,261</u>                                  | <u>\$ 100</u>           | <u>\$ 100</u>   | <u>\$ 9,340</u>  | <u>\$ 52,801</u> |
| Total cash and<br>investments -<br>end of year    | <u>\$ 17,298</u>                                  | <u>\$ 495</u>           | <u>\$ 516</u>   | <u>\$ -</u>  | <u>\$ 18,309</u> |

FIDUCIARY FUND

AGENCY FUND (payroll) - to account for the disbursement of salaries and expenditures incurred in conjunction with payrolls.



## TOWN OF IOTA, LOUISIANA

STATEMENT OF CHANGES IN ASSETS AND  
LIABILITIES - PAYROLL FUND  
June 30, 1999 and 1998

| ASSETS                  | Balance,<br>July 1,<br><u>1998</u> | <u>Additions</u> | <u>Deductions</u> | Balance,<br>June 30,<br><u>1999</u> |
|-------------------------|------------------------------------|------------------|-------------------|-------------------------------------|
| Cash                    | \$ 5,589                           | \$388,036        | \$384,848         | \$ 8,777                            |
| Payroll tax overpayment | <u>-</u>                           | <u>28</u>        | <u>-</u>          | <u>28</u>                           |
|                         | <u>\$ 5,589</u>                    | <u>\$388,064</u> | <u>\$384,848</u>  | <u>\$ 8,805</u>                     |
| LIABILITIES             |                                    |                  |                   |                                     |
| Payroll taxes payable   | \$ -                               | \$ 95,717        | \$ 94,615         | \$ 1,102                            |
| Due to other funds      | 5,589                              | 230,393          | 228,327           | 7,655                               |
| Other payables          | <u>-</u>                           | <u>5,361</u>     | <u>5,313</u>      | <u>48</u>                           |
|                         | <u>\$ 5,589</u>                    | <u>\$331,471</u> | <u>\$328,255</u>  | <u>\$ 8,805</u>                     |

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

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

TOWN OF IOTA, LOUISIANA  
GENERAL FIXED ASSETS GROUP OF ACCOUNTS

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

|   | Balance,<br>July 1,<br><u>1998</u> | <u>Additions</u> | <u>Deductions</u> | Balance,<br>June 30,<br><u>1999</u> |
|---|------------------------------------|------------------|-------------------|-------------------------------------|
| General fixed assets, at cost:                |                                    |                  |                   |                                     |
| Land  | \$ 31,847                          | \$ -             | \$ -              | \$ 31,847                           |
| Building and improvements                     | 72,027                             | -                | -                 | 72,027                              |
| Improvements other than<br>buildings          | 204,034                            | 55,695           | -                 | 259,729                             |
| Equipment                                     | <u>199,241</u>                     | <u>10,101</u>    | <u>-</u>          | <u>209,342</u>                      |
|   | <u>\$507,149</u>                   | <u>\$ 65,796</u> | <u>\$ -</u>       | <u>\$572,945</u>                    |
| Investment in general fixed<br>assets from:   |                                    |                  |                   |                                     |
| Federal grant                                 | \$ 33,969                          | \$ -             | \$ -              | \$ 33,969                           |
| General fund revenues                         | 214,254                            | 52,897           | -                 | 267,151                             |
| Sales tax fund revenues                       | 165,507                            | 12,899           | -                 | 178,406                             |
| Federal and state revenue<br>sharing revenues | <u>93,419</u>                      | <u>-</u>         | <u>-</u>          | <u>93,419</u>                       |
|   | <u>\$507,149</u>                   | <u>\$ 65,796</u> | <u>\$ -</u>       | <u>\$572,945</u>                    |

GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS

To account for general long-term liabilities of governmental units other than proprietary fund.

TOWN OF IOTA, LOUISIANA  
 STATEMENT OF GENERAL LONG-TERM DEBT  
 Year Ended June 30, 1999

|  | <u>1993 Series General<br/>Obligation Bonds</u> |                  |
|--|---|------------------|
|  | <u>1999</u>                                     | <u>1998</u>      |
| <u>AMOUNT AVAILABLE AND TO BE<br/>PROVIDED FOR THE PAYMENT<br/>OF GENERAL LONG-TERM DEBT</u> |   |                  |
| Amount available in Debt Service Fund  | \$ 113  | \$ 11,900        |
| Amount available for other purposes  | -   | (127)            |
| Amount to be provided from:  |   |                  |
| Excess revenues of the Town  | <u>34,887</u>                                   | <u>43,227</u>    |
| Total available and to be provided for<br>retirement of long-term debt                       | <u>\$ 35,000</u>                                | <u>\$ 55,000</u> |
| <br>GENERAL LONG-TERM DEBT PAYABLE   |   |                  |
| Bonds payable  | <u>\$ 35,000</u>                                | <u>\$ 55,000</u> |

SUPPLEMENTARY INFORMATION

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## TOWN OF IOTA, LOUISIANA

COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS  
June 30, 1999

|                              | <u>Interest<br/>Rate</u> | <u>Maturity<br/>Date</u> | <u>Value</u>     |
|------------------------------|--------------------------|--------------------------|------------------|
| Sales Tax Fund:              |                          |                          |                  |
| Certificate of deposit -     |                          |                          |                  |
| Bank of Commerce & Trust Co. | 4.95%                    | 03-22-00                 | \$ 45,561        |
| Bank of Commerce & Trust Co. | 4.95%                    | 11-26-99                 | <u>84,965</u>    |
|                              |                          |                          | <u>\$130,526</u> |
| Combined Utilities Fund:     |                          |                          |                  |
| Certificates of deposit -    |                          |                          |                  |
| Bank of Commerce & Trust Co. | 4.75%                    | 08-05-99                 | \$ 9,000         |
| Bank of Commerce & Trust Co. | 4.95%                    | 02-27-00                 | 16,784           |
| Bank of Commerce & Trust Co. | 4.95%                    | 01-15-00                 | 7,982            |
| Bank of Commerce & Trust Co. | 5.05%                    | 10-08-99                 | <u>29,928</u>    |
|                              |                          |                          | <u>\$ 63,694</u> |
| Total, all funds             |                          |                          | <u>\$194,220</u> |



TOWN OF IOTA, LOUISIANA  
 SCHEDULE OF INSURANCE IN FORCE  
 (Unaudited)  
 June 30, 1999

| <u>Insurer</u>                       | <u>Assets Covered</u>                         |
|--------------------------------------|---|
| Commercial Union Insurance Companies | Town Hall and improvements                    |
| Commercial Union Insurance Companies | Municipal building                            |
| Commercial Union Insurance Companies | Water plant and improvements                  |
| Commercial Union Insurance Companies | Rescue unit building and meeting house        |
| Commercial Union Insurance Companies | Equipment warehouse                           |
| Commercial Union Insurance Companies | Sewer treatment plant and improvements        |
| Louisiana Municipal Risk Management  | Law enforcement officers and public officials |
| Louisiana Municipal Risk Management  | Municipal employees and volunteer firemen     |
| Louisiana Municipal Risk Management  | Automobiles                                   |
| Louisiana Municipal Risk Management  | General Liability                             |
| Williams Insurance                   | Mayor, clerk, tax collector, and secretary    |
| Williams Insurance                   | Clerk   |
| Williams Insurance                   | Secretary                                     |
| Williams Insurance                   | Tax collector                                 |
| Williams Insurance                   | Mayor   |
| Audubon Insurance Group              | Police automobiles                            |

| <u>Risk Covered</u>   | <u>Limits Coverage</u> | <u>Co-Insurance Clause</u> | <u>Expiration Date</u> |
|---|------------------------|----------------------------|------------------------|
| Fire, lightning, extended coverage, vandalism and malicious mischief  | \$112,000              | 80%                        | 04-12-00               |
| Fire, lightning, extended coverage, vandalism and malicious mischief  | \$87,000               | 80%                        | 04-12-00               |
| Fire, lightening, extended coverage, vandalism and malicious mischief | \$999,200              | 80%                        | 04-12-00               |
| Fire, lightening, extended coverage, vandalism and malicious mischief | \$35,400               | 80%                        | 04-12-00               |
| Fire, lightening, extended coverage, vandalism and malicious mischief | \$85,300               | 80%                        | 04-12-00               |
| Fire, lightening, extended coverage, vandalism and malicious mischief | \$560,000              | 80%                        | 04-12-00               |
| Bond  | \$1,000,000            | -                          | 05-01-00               |
| Workmen's compensation & employer's employer's liability              | Statutory              | -                          | 12-31-99               |
| Comprehensive collision   | \$500,000              | -                          | 05-01-00               |
| Fire, medical payments, property damage                               | \$500,000              | -                          | 05-01-00               |
| Bond  | \$40,000               | -                          | 10-16-99               |
| Bond  | \$20,000               | -                          | 10-28-99               |
| Bond  | \$20,000               | -                          | 11-18-99               |
| Bond  | \$20,000               | -                          | 11-16-01               |
| Bond  | \$20,000               | -                          | 12-09-99               |
| Commercial auto physical damage                                       | Total loss endorsement | -                          | 07-23-99               |

## TOWN OF IOTA, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS  
Year Ended June 30, 1999

| <u>Name</u>           | <u>Amount</u>    |
|-----------------------|------------------|
| John D. Sittig, Mayor | \$ 6,900         |
| R. B. Fontenot        | 750              |
| Warren Pousson        | 1,500            |
| Raleigh Miller        | 1,500            |
| J. D. Leger           | 1,500            |
| Thomas Miller         | 1,500            |
| Troy Lantz            | <u>750</u>       |
|                       | <u>\$ 14,400</u> |

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

The mayor received \$350 per month prior to January 1, 1999. Effective January 1, 1999, the Mayor receives \$800 per month. The aldermen receive \$125 per month.

TOWN OF IOTA, LOUISIANA  
UTILITY FUND

SCHEDULE OF AGED ACCOUNTS RECEIVABLE  
Year Ended June 30, 1999

|             |                  |
|-------------|------------------|
| 0-30 Days   | \$ 33,499        |
| 31-60 Days  | 630              |
| 61-90 Days  | 165              |
| 91-120 Days | 7                |
|             | <u>\$ 34,301</u> |

TOWN OF IOTA, LOUISIANA  
UTILITY FUND

SCHEDULE OF UTILITY RATES  
Year Ended June 30, 1999

Water

|                               |   |
|-------------------------------|---|
| First 2,000 gallons per month | \$ 10.00  |
| Over 2,000 gallons            | \$2.00 per 1,000<br>gallons or each part<br>thereof |

Sewer

|                               |   |
|-------------------------------|---|
| Based on water sold:          | .   |
| First 2,000 gallons per month | \$ 7.00   |
| Over 2,000 gallons            | \$1.50 per 1,000<br>gallons or each part<br>thereof |

Gas

|                     |   |
|---------------------|---|
| 0-200 cubic feet    | \$ 6.75                                     |
| Over 200 cubic feet | \$.70 per 100 cubic<br>feet or part thereof |



## **BROUSSARD, POCHE', LEWIS & BREAU, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.  
P.O. Drawer 307  
Crowley, Louisiana  
70527-0307  
phone: (318) 783-0650  
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Lafayette, LA  
(318) 988-4930  
Opelousas, LA  
(318) 942-5217  
Abbeville, LA  
(318) 898-1497  
New Iberia, LA  
(318) 364-4554  
Church Point, LA  
(318) 684-2855  
Eunice, LA  
(318) 457-0071

The Honorable John D. Sittig, Mayor,  
and the Board of Aldermen  
Town of Iota, Louisiana

We have audited the general purpose financial statements of the Town of Iota, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated August 9, 1999. We conducted our audit 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 the Louisiana Governmental Audit Guide.

### Compliance

As part of obtaining reasonable assurance about whether the Town of Iota, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 99-1, 99-2, and 99-3.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Iota, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to

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Eugene C. Gilder, CPA\*  
Donald W. Kelley, CPA\*  
Herbert Lemoine II, CPA\*  
Frank A. Stogoo, CPA\*  
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L. Charles Abshire, CPA\*  
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P. John Blanchet III, CPA\*  
Stephen E. Lambony, CPA\*  
Craig C. Balanoux, CPA\*  
Peter C. Borrello, CPA\*  
Michael E. Crochet, CPA\*  
George J. Trappay III, CPA\*  
Daniel E. Gilder, CPA\*  
Gregory B. Milton, CPA\*  
S. Scott Souleau, CPA\*  
Patrick D. McCarthy, CPA\*  
Martha B. Wyatt, CPA\*

#### *Retired:*

Sidney L. Broussard, CPA 1980  
Leon K. Poche, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA\* 1992  
Geraldine J. Wimberly, CPA\* 1995  
Rodney L. Savoy, CPA\* 1996  
Larry G. Broussard, CPA\* 1996

Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants

The Honorable John D. Sittig, Mayor,  
and the Board of Aldermen  
Town of Iota, Louisiana

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 Iota, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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. We consider the reportable condition described above, item 99-4, to be a material weakness.

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

*BROUSSARD, POCHE, LEWIS & BREUX, L.L.P.*

Crowley, Louisiana  
August 9, 1999

## TOWN OF IOTA, LOUISIANA

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

We have audited the financial statements of the Town of Iota, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated August 9, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

**Section I. Summary of Auditor's Reports**

## a. Report on Internal Control and Compliance Material to the Financial Statements

## Internal Control

Material Weaknesses  Yes  No      Reportable Conditions  Yes  No

## Compliance

Compliance Material to Financial Statements  Yes  No

## b. Federal Awards

## Internal Control

Material Weaknesses  Yes  No      Reportable Conditions  Yes  No

**Section II Financial Statement Findings**

The following findings relate to the financial statements and are required to be reported in accordance with Government Auditing Standards:

#99-1 Compliance: Budget

Criteria:

Actual receipts plus projected revenue collections shall not fall short of budgeted revenues by five percent or more and actual expenditures plus projected expenditures for the year shall not exceed budgeted expenditures by five percent or more.



TOWN OF IOTA, LOUISIANA

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

**Section II Financial Statement Findings (continued)**

Finding and effect:

For the year ended June 30, 1999, actual expenditures exceeded budgeted expenditures by more than five percent in the Sales Tax Fund. Thus, the Town is not in compliance with the Local Government Budget Act.

A similar finding was included in the prior year's audit report.

Questioned costs: \$ - 0 -

Cause:

Management did not make the necessary amendments to the budget to insure that the Town was in compliance with the five percent rule.

Recommendation:

We recommend that management closely monitor the budget and make every effort possible to stay within the five percent limitation by amending the budget as deemed necessary.

Response:

The Town Clerk and Mayor will meet regularly during the year to compare budgeted amounts to actual amounts and will present amendments to the Board for adoption as deemed necessary.

99-2 Compliance: Unused Vacation Time

Criteria:

Municipal employees may not elect to forgo the taking of regularly scheduled vacation or leave of absence with pay and, in lieu thereof, continue working and draw both the vacation pay and regular pay for the same period of time (AGO 77-1034 and 77-1351).

TOWN OF IOTA, LOUISIANA

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

**Section II Financial Statement Findings** (continued)

99-2 Compliance: Unused Vacation Time (continued)

Finding and effect:

At their November 10, 1998 meeting, the Board of Aldermen voted to approve a change in the Town's vacation policy to allow employees to be paid for vacation time unused at the end of the calendar year. Therefore, the Town made payments to employees which are prohibited.

Questioned costs:            \$ - 0 -

Cause:

The Board of Aldermen voted on the request made by employees without first investigating the legal aspects of the situation.

Recommendation:

We recommend that the Board discontinue this practice and consult with legal counsel in the future to determine legality of new policies prior to adoption of said policies.

Response:

The Board of Aldermen have already discontinued this policy.

99-3 Compliance: Sinking Fund Requirements

Criteria:

Based on the requirements listed in the Certificate of Indebtedness, Series 1993 agreement, the amount necessary to fund payment of interest and principal shall be deposited into the 1993 Sinking Fund account quarterly on March 1, June 1, September 1, and December 1 of each year.

TOWN OF IOTA, LOUISIANA

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

**Section II Financial Statement Findings (continued)**

99-3 Compliance: Sinking Fund Requirements (continued)

Finding and effect:

During our audit, we discovered that the 1993 Sinking Fund was underfunded by \$1,025 at June 30, 1999. Thus the Town was not in compliance with the sinking fund requirements as outlined in the Certificate of Indebtedness, Series 1993 agreement.

Questioned costs: \$ - 0 -

Cause:

The Town clerk was not an employee of the Town at the time the agreement was signed and was unaware of the time requirements for deposits to the 1993 Sinking Fund. The interest payment due in July 1999 was made on July 15 and the transfer of funds to the cash account to cover the payment was made the same day.

Recommendation:

We recommend that the client make the required transfers to the 1993 Sinking Fund account in compliance with the signed Certificate of Indebtedness, Series 1993 agreement.

Response:

The Town clerk will make the transfers to the 1993 Sinking Fund account in accordance with the signed agreement.

#99-4 Internal Control: Segregation of Duties

Criteria:

Financial duties should be adequately segregated in order to provide good internal controls.

TOWN OF IOTA, LOUISIANA

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

**Section II Financial Statement Findings (continued)**

#99-4 Internal Control: Segregation of Duties (continued)

Finding and effect:

Our consideration of internal controls over financial reporting revealed an inadequate segregation of duties with respect to payroll. Therefore, internal control over payroll is weakened.

This same finding was included in the prior year's audit report.

Questioned costs: \$ - 0 - .

Cause:

The Town clerk performs most duties with regards to payroll.

Recommendation:

Due to the confidential nature of payroll information and management's desire to keep such information confidential, we recommend that the Mayor open the bank statements for the payroll account when received, review the cleared checks, and initial the line item noting total checks and debits for the month. This should help to strengthen internal controls and mitigate the lack of segregation of payroll duties.

Response:

Due to the limited number of personnel, it is not always practical to have a complete segregation of duties. Due to the sensitive nature of the personnel information involved with respect to payroll, the Town will not segregate the procedures for payroll. The Mayor will begin reviewing payroll account bank statements as recommended.

**Section III Federal Awards Findings and Questioned Costs**

There were not any findings with relation to federal awards in the current year.

TOWN OF IOTA, LOUISIANA

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

**I. Internal Control and Compliance Material to the Financial Statements**

1997, #98-1 Compliance: Budget

Finding:

For the year ended June 30, 1998, actual revenues and expenditures exceeded budgeted revenues and expenditures by more than five percent in the Sales Tax Fund. Also, for the year ended June 30, 1998, actual expenditures exceeded budgeted expenditures by more than five percent in the Utility Fund.

A similar finding regarding budget compliance is reported as item 99-1 in the current year's schedule of findings and questioned costs.

Recommendation:

We recommend that the budget continue to be closely monitored and every effort possible be made to stay within the five percent limitation as has been done in the past.

Current status:

Actual expenditures continue to exceed budgeted expenditures by more than five percent in the Sales Tax Fund.

1997, #98-2 Internal Control: Segregation of Duties

Finding:

During our consideration of the internal control structure, there was an inadequate segregation of duties with respect to payroll.

Current status:

The inadequate segregation of duties with respect to payroll still exists. The Mayor will open all bank statements for the payroll account and will review cleared checks for each month and will initial this line on each statement to provide more control over payroll. This finding is disclosed in the current schedule of findings and questioned costs as item #99-4.

TOWN OF IOTA, LOUISIANA

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

**I. Internal Control and Compliance Material to the Financial Statements (continued)**

1997, #98-3 Internal Control: Supply Lists

**Finding:**

During our audit procedures, it was noted that no lists were kept of supplies used out of the Town barn and on which jobs they are used. The Town handbook requires that such a list be kept and submitted to Town Hall on Mondays. Consequently, it is difficult for the Town to keep track of where Town supplies and materials are used.

**Current status:**

These lists are now being submitted to and reviewed by the Mayor.

**II. Internal Control and Compliance Material to Federal Awards**

Department of Agriculture

Water and Waste Loan and Grant Programs - CFDA #10.760

#98-4 Compliance - Budget Submission

**Finding and effect:**

During our audit, we discovered that the Town had not submitted a copy of their fiscal year 1998 budget to the Office of Rural Development. Therefore, the Town was not in compliance with the terms of its contract with the Office of Rural Development.

**Current status:**

During our audit of fiscal year 1999, we inspected a letter from Rural Development to the Town acknowledging receipt of the Town's fiscal year 1999 budget.

**III. Management Letter**

The prior year's report did not include a management letter.



MANAGEMENT'S CORRECTIVE ACTION PLAN  
Year Ended June 30, 1999

**Section I - Internal Control and Compliance Material to the Financial Statements**

1997; 98-1; 99-1 Compliance: Budget

It is recommended that management closely monitor the budget and make every effort possible to stay within the five percent limitation by amending the budget as deemed necessary.

The Town Clerk and the Mayor will meet regularly during the year to compare budgeted amounts to actual amounts and will present amendments to the Board for adoption as deemed necessary.

99-2 Compliance: Unused Vacation Time

It is recommended that the Board discontinue the practice of paying employees for unused vacation time and consult with legal counsel on new policies.

The Board has declared that no payments will be made in the future to employees for unused vacation time and the Town will consult with legal counsel on policies.

99-3 Compliance: Sinking Fund Requirements

It is recommended that transfers be made to the 1993 Sinking Fund account in accordance with the Certificate of Indebtedness, Series 1993 agreement.

The clerk will make transfers to the 1993 Sinking Fund account in accordance with the Certificate of Indebtedness, Series 1993 agreement.

1997; 98-2, 99-4 Internal Control: Segregation of Duties

It is recommended that the Mayor open payroll account bank statements when received and review the checks cleared for reasonableness. Also, the Mayor should initial the line listing total checks cleared to document the performance of the procedures.

The Mayor will begin opening payroll account bank statements, reviewing them, and signing off on the cleared checks.

**Section II - Internal Control and Compliance Material to Federal Awards**

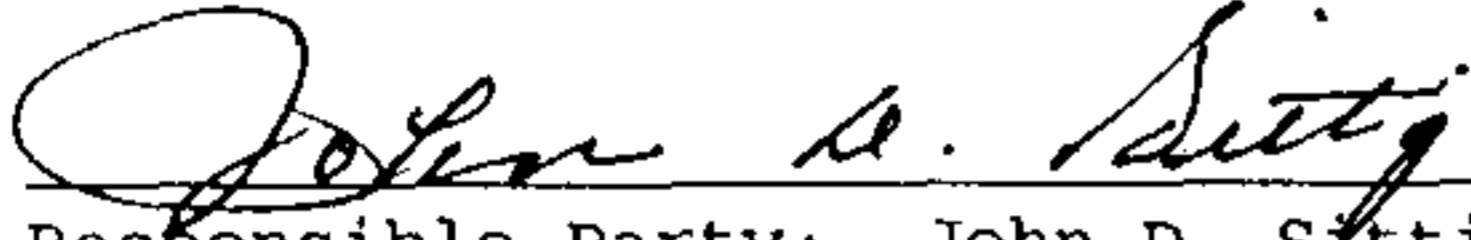
The audit report did not contain any findings material to federal awards.



MANAGEMENT'S CORRECTIVE ACTION PLAN (Continued)  
Year Ended June 30, 1999

**Section III - Management Letter**

The audit report did not include a management letter.

  
Responsible Party: John D. Sittig, Mayor