

**TOWN OF AMITE CITY**

Louisiana



**ANNUAL FINANCIAL REPORT**

As of and for the Year Ended  
June 30, 2022

**TOWN OF AMITE CITY**

Louisiana

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**TABLE OF CONTENTS**

	<u>Page</u>
<b>Independent Auditors' Report</b> .....	1
<b>Required Supplementary Information (Part I)</b>	
Management's Discussion and Analysis .....	5
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position .....	12
Statement of Activities .....	13
Fund Financial Statements	
Governmental Funds	
Balance Sheet .....	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	17
Proprietary Fund	
Statement of Net Position .....	18
Statement of Revenues, Expenses, and Changes in Net Position .....	19
Statement of Cash Flows .....	20
Fiduciary Funds	
Combining Statement of Fiduciary Net Position- Custodial Funds .....	21
Combining Statement of Changes in Fiduciary Net Position- Custodial Funds .....	22
Notes to the Financial Statements .....	24
<b>Required Supplementary Information (Part II)</b>	
Budgetary Comparison Schedules	
General Fund (Summary - Detail) .....	56
Sales Tax Fund .....	62
Economic Development Fund .....	63
Arts Council Fund .....	64
Schedule of the Town's Proportionate Share of the Net Pension Liability Municipal Employees' Retirement System .....	65
Schedule of Town's Contributions, Municipal Employees' Retirement System .....	66
<b>Other Supplementary Information</b>	
Schedule of Compensation, Benefits, and Other Payments to Agency Heads .....	68
Justice System Funding Schedule - Collecting/Disbursing Entity .....	69

TOWN OF AMITE CITY

TABLE OF CONTENTS (continued)

	<u>Page</u>
<b>Other Independent Auditors' Reports and Findings</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	71
Summary Schedule of Prior Year Audit Findings .....	73
Schedule of Current Year Audit Findings.....	74
Summary Schedule of Current Year Findings .....	75
Management's Corrective Action Plan for Current Year Audit Findings .....	78



## INDEPENDENT AUDITORS' REPORT

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

### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary funds, and the aggregate remaining fund information of the **TOWN OF AMITE CITY (TOWN)**, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise of the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the fiduciary funds, and the aggregate remaining fund information of the Town as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

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

### *Management's Responsibility for the Financial Statements*

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

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



## *Auditors' Responsibility for the Audit of the Financial Statements*

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison information, and schedules of the Town's proportionate share of net pension liability and contributions for the Municipal Police Employees' Retirement System on pages 56 through 66 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of compensation, benefits, and other payments to agency heads and the justice system funding schedule – collecting/disbursing entity, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of compensation, benefits, and other payments to agency heads and justice system funding schedule – collecting/disbursing entity are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Faulk & Winkler, LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
December 22, 2022

TOWN OF AMITE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended June 30, 2022

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Town of Amite City's (Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2022, with comparisons to the prior year, where appropriate.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Town's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

The Town's net position from governmental and business-type activities increased approximately \$402,000 as a result of this year's operations.

Total cost of all of the Town's programs was approximately \$7.2 million in 2022.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to Town of Amite City's basic financial statements. This annual report consists of a series of financial statements. The Town's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary financial statements, and 4) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 12 and 13) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 14. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most financially significant funds.

**Government-Wide Financial Statements**

*The Statement of Net Position and the Statement of Activities*

Our analysis of the Town as a whole begins on page 5. One of the most important questions asked about the Town's finances is "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's *net position* and changes to them. You can think of the Town's net position, the difference between assets, what the citizens own, and liabilities, what the citizens owe, as one way to measure the Town's financial health, or *financial position*. Over time, increases or decreases in the Town's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets (roads, bridges, buildings, sewer and water lines, and equipment) to assess the *overall health* of the Town.

TOWN OF AMITE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended June 30, 2022

The Condensed Statement of Activities and Changes In Net Position, reports on the Town's governmental and business-type activities:

- Governmental activities: most of the Town's basic services are reported here, including public safety for police and fire, road maintenance, garbage collection, and general administration. The Town's two percent sales and use tax, property taxes, and state and federal grants finance most of these activities.
- Business-type activities: the Town's water and sewer system is reported here. The services are primarily financed with user fees. The Town also receives federal and state grants.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law. However, the Town establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's three kinds of funds, governmental, proprietary, and fiduciary, use different accounting approaches.

*Governmental Funds:* most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation beside the fund financial statements.

*Proprietary funds:* The Town maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for water and sewer systems.

*Fiduciary funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources are not available to support the Town's own programs. The Town of Amite City is the trustee, or fiduciary, for assets that belong to others, such as the Bond Money Fund and the Prisoner Personal Money Fund. The Town is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. This fund is reported within the Fiduciary Fund category and is reported on a full accrual basis.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 through 53 of this report.

### **FINANCIAL ANALYSIS**

The following table provides a comparative summary of the Town's net position for the current and previous years. For more detailed information, see the Statement of Net Position on page 12 of this report.

TOWN OF AMITE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended June 30, 2022

CONDENSED STATEMENT OF NET POSITION  
June 30, 2022, and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>						
Current Assets	\$ 2,109,851	\$ 1,866,342	\$ 1,251,009	\$ 1,530,709	\$ 3,360,860	\$ 3,397,051
Restricted Assets	741,254	14,911	1,544,901	1,612,046	2,286,155	1,626,957
Capital Assets, net	2,683,920	2,571,939	7,403,909	7,652,706	10,087,829	10,224,645
Total Assets	<u>5,535,025</u>	<u>4,453,192</u>	<u>10,199,819</u>	<u>10,795,461</u>	<u>15,734,844</u>	<u>15,248,653</u>
<u>Deferred outflow of resources</u>						
	<u>329,809</u>	<u>404,464</u>	<u>-</u>	<u>-</u>	<u>329,809</u>	<u>404,464</u>
<u>Liabilities</u>						
Current Liabilities	1,088,987	388,267	568,427	754,258	1,657,414	1,142,525
Long-Term Liabilities	4,385	74,620	3,582,151	3,831,238	3,586,536	3,905,858
Net Pension Liability	694,410	1,150,947	-	-	694,410	1,150,947
Total Liabilities	<u>1,787,782</u>	<u>1,613,834</u>	<u>4,150,578</u>	<u>4,585,496</u>	<u>5,938,360</u>	<u>6,199,330</u>
<u>Deferred inflow of resources</u>						
	<u>403,644</u>	<u>132,739</u>	<u>-</u>	<u>-</u>	<u>403,644</u>	<u>132,739</u>
<u>Net Position</u>						
Net Investment in Capital Assets	2,642,992	2,416,880	3,532,231	3,310,870	6,175,223	5,727,750
Restricted	14,953	14,911	1,384,641	1,454,976	1,399,594	1,469,887
Unrestricted	1,015,463	679,992	1,132,369	1,444,119	2,147,832	2,123,411
Total Net Position	<u>\$ 3,673,408</u>	<u>\$ 3,111,083</u>	<u>\$ 6,049,241</u>	<u>\$ 6,209,965</u>	<u>\$ 9,722,649</u>	<u>\$ 9,321,048</u>

Approximately 63.51% of the Town's net position reflect its investment in capital assets (land, buildings, equipment, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately 14.40% of the Town's net position represent resources that are subject to external restriction on how they may be used. The Town's restricted net position consist of cash restricted for the capital purchases for the street department and law enforcement, and cash required to be restricted by debt covenants.

Approximately 22.09% of the Town's net position is unrestricted and available for any unforeseen expenditures.

TOWN OF AMITE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended June 30, 2022

The table below provides a comparative summary of the changes in net position for the years ended June 30, 2022, and June 30, 2021. An analysis of the primary sources of these changes follows the table. For more detailed information, see page 13, the Statement of Activities.

CONDENSED STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION  
For Years Ended June 30, 2022, and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Program Revenues:</b>						
Charges for Services	\$ 552,001	\$ 505,627	\$ 1,427,239	\$ 1,421,038	\$ 1,979,240	\$ 1,926,665
Grants and Contributions						
Operating	167,109	432,999	31,975	-	199,084	432,999
Capital	237,568	2,450	57,261	490,649	294,829	493,099
Total Program Revenues	<u>956,678</u>	<u>941,076</u>	<u>1,516,475</u>	<u>1,911,687</u>	<u>2,473,153</u>	<u>2,852,763</u>
<b>General Revenues:</b>						
Taxes and Licenses	4,725,086	4,469,225	-	-	4,725,086	4,469,225
Investment Earnings	9,995	5,708	12,249	15,834	22,244	21,542
Miscellaneous	50,897	35,101	-	-	50,897	35,101
Intergovernmental	49,556	62,264	-	-	49,556	62,264
Gain from disposition of capital asset	9,850	-	-	-	9,850	-
Insurance proceeds	201,499	-	-	-	201,499	-
Support Revenues - Pension	29,112	27,144	-	-	29,112	27,144
Total General Revenues	<u>5,075,995</u>	<u>4,599,442</u>	<u>12,249</u>	<u>15,834</u>	<u>5,088,244</u>	<u>4,615,276</u>
Total Revenues	<u>6,032,673</u>	<u>5,540,518</u>	<u>1,528,724</u>	<u>1,927,521</u>	<u>7,561,397</u>	<u>7,468,039</u>
<b>Program Expenses:</b>						
General Government	1,463,374	1,426,393	-	-	1,463,374	1,426,393
Public Safety – police/fire	1,774,436	1,828,361	-	-	1,774,436	1,828,361
Public Safety – fire	333,333	320,000	-	-	333,333	320,000
Streets	1,228,601	1,041,030	-	-	1,228,601	1,041,030
Sanitation	279,274	285,451	-	-	279,274	285,451
Community Center	55,062	14,443	-	-	55,062	14,443
Cemetery	95,865	46,899	-	-	95,865	46,899
Parks and recreation	115,534	90,471	-	-	115,534	90,471
Economic Development	37,972	46,698	-	-	37,972	46,698
Intergovernmental	38,738	15,064	-	-	38,738	15,064
Art development	12,615	7,022	-	-	12,615	7,022
Water and sewer operating expenses	-	-	1,689,448	1,435,903	1,689,448	1,435,903
Miscellaneous	35,544	40,870	-	-	35,544	40,870
Total Expenses	<u>5,470,348</u>	<u>5,162,702</u>	<u>1,689,448</u>	<u>1,435,903</u>	<u>7,159,796</u>	<u>6,598,605</u>
Change in Net Position	<u>562,325</u>	<u>377,816</u>	<u>(160,724)</u>	<u>491,618</u>	<u>401,601</u>	<u>869,434</u>
Net Position- beginning	<u>3,111,083</u>	<u>2,733,267</u>	<u>6,209,965</u>	<u>5,718,347</u>	<u>9,321,048</u>	<u>8,451,614</u>
Net Position- ending	<u>\$ 3,673,408</u>	<u>\$ 3,111,083</u>	<u>\$ 6,049,241</u>	<u>\$ 6,209,965</u>	<u>\$ 9,722,649</u>	<u>\$ 9,321,048</u>

TOWN OF AMITE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended June 30, 2022

Governmental Activities

The Town's governmental net position increased by \$562,325. The increase in Net Position is a result of an increase in sales taxes.

Business Type Activities

The Town's business-type net position decreased by \$160,724. The decrease is a result of a substantial increase in operating expenses. There were increases in salaries, employee benefits, and water system electricity.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgets were reviewed quarterly and amended one time during the year to reflect changes in forecasted revenues and expenditures. The final amendment for the Arts Council took place on December 7, 2021. The final amendment for the General Fund, Sales Tax Fund, Economic Development Fund, and Capital Improvement Fund took place on June 29, 2022.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Town of Amite City's capital assets for its governmental activities as of June 30, 2022, amount to \$10.1M, with \$2.7M in governmental activities and \$7.4M in the business-type activities (net of accumulated depreciation). Capital assets include land, buildings, improvements, vehicles, machinery and equipment, office equipment, roads, and bridges.

The total decrease in the Town's Net investment in capital assets for the current year was 1.34%, or \$136,816.

CONDENSED SCHEDULE OF CAPITAL ASSETS (NET OF DEPRECIATION)  
For Years Ended June 30, 2022, and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,381,872	\$ 1,381,872	\$ 62,349	\$ 62,349	\$ 1,444,221	\$ 1,444,221
Construction in Progress	37,185	37,185	-	796,087	37,185	833,272
Inactive Assets	66,316	66,316	-	-	66,316	66,316
Buildings and Improvements	595,350	638,496	-	-	595,350	638,496
Infrastructure	220,849	233,021	-	-	220,849	233,021
Vehicles	125,841	124,771	-	-	125,841	124,771
Office Equipment	12,174	13,977	-	-	12,174	13,977
Furniture and Fixtures	3,988	4,644	-	-	3,988	4,644
Machinery & Equipment	240,345	71,657	58,242	72,252	298,587	143,909
Wells	-	-	719,575	744,117	719,575	744,117
Storage Tanks	-	-	250,961	262,368	250,961	262,368
Water Lines & Meters	-	-	2,171,787	1,405,728	2,171,787	1,405,728
Sewerage System	-	-	4,140,995	4,309,805	4,140,995	4,309,805
Capital Asset (Net)	<u>\$ 2,683,920</u>	<u>\$ 2,571,939</u>	<u>\$ 7,403,909</u>	<u>\$ 7,652,706</u>	<u>\$ 10,087,829</u>	<u>\$ 10,224,645</u>

Major capital asset events for year ended June 30, 2022, included the following:

1. The Tycker Park water improvement construction in progress was completed.
2. A garbage truck was purchased for \$115,000.
3. Two Tahoes were purchased for the police department for \$73,605.



TOWN OF AMITE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended June 30,2022

*Long-Term Debt*

CONDENSED SCHEDULE OF LONG-TERM DEBT  
For Years Ended June 30, 2022, and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Lease Liability	\$ 40,929	\$ 80,059	\$ -	\$ -	\$ 40,929	\$ 80,059
Note from direct borrowing	-	75,000	-	-	-	75,000
USDA Revenue Bonds	-	-	3,647,238	3,720,438	3,647,238	3,720,438
DEQ Revenue Bonds	-	-	-	271,000	-	271,000
<b>Total</b>	<b>\$ 40,929</b>	<b>\$ 155,059</b>	<b>\$ 3,647,238</b>	<b>\$ 3,991,438</b>	<b>\$ 3,688,167</b>	<b>\$ 4,146,497</b>

The current portion of the debt listed above is \$116,516.

THE TOWN AS A WHOLE

The Town's combined Net Position changed from a year ago, increasing from approximately \$9.3 million to \$9.7 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town looks forward to 2023 with a cautious optimistic economic outlook of continued expansion and growth within the local economy. The Town has planned capital projects to include renovations to city hall and the construction of a new police department. Also, the Town is planning to construct a new state of the art sewer treatment plant. The Town continues to practice a conservative fiscal policy.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mark Kolwe, City Manager at (985) 748-8761 or Town of Amite City, P.O. Box 215, Amite, LA 70422.

## **BASIC FINANCIAL STATEMENTS**

Town of Amite City

STATEMENT OF NET POSITION  
June 30, 2022

	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 1,043,773	\$ 654,573	\$ 1,698,346
Investments	843,999	18,682	862,681
Receivables, net	478,313	279,213	757,526
Prepaid insurance	40,117	2,190	42,307
Internal balances	(296,351)	296,351	-
Restricted assets-			
Cash and cash equivalents,	741,254	1,491,053	2,232,307
Investments	-	53,848	53,848
Capital assets, net	2,683,920	7,403,909	10,087,829
Total assets	5,535,025	10,199,819	15,734,844
 <u>Deferred Outflow of Resources</u>	 329,809	 -	 329,809
<u>Liabilities</u>			
Accounts, salaries, and other payables	264,400	101,640	366,040
Compensated Absences Payable	78,325	6,500	84,825
Utility customer deposits	-	160,260	160,260
Contract Retainage Payable	-	33,417	33,417
Contract Payable	-	191,023	191,023
Unearned Grant Revenue – ARP	705,333	-	705,333
Noncurrent liabilities:			
Due within one year	40,929	75,587	116,516
Due in more than one year	4,385	3,582,151	3,586,536
Net pension liability	694,410	-	694,410
Total liabilities	1,787,782	4,150,578	5,938,360
 <u>Deferred Inflow of Resources</u>	 403,644	 -	 403,644
<u>Net Position</u>			
Net investment in capital assets	2,642,991	3,532,231	6,175,222
Restricted for:			
Debt service	-	1,384,641	1,384,641
Law enforcement	8,576	-	8,576
Street capital purchase	6,377	-	6,377
Unrestricted	1,015,464	1,132,369	2,147,833
 Total Net Position	\$ 3,673,408	\$ 6,049,241	\$ 9,722,649

The accompanying notes are an integral part of this statement.

Town of Amite City  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues, and Changes in Net Position		
		Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 1,463,374	\$ -	\$ 3,336	\$ -	\$ (1,460,038)	\$ -	\$ (1,460,038)
Public safety - police	1,774,436	98,942	97,150	122,568	(1,455,776)	-	(1,455,776)
Public safety - fire	333,333	-	-	-	(333,333)	-	(333,333)
Streets	1,228,601	-	61,378	-	(1,167,223)	-	(1,167,223)
Sanitation	279,274	379,489	-	115,000	215,215	-	215,215
Community center	55,062	4,250	-	-	(50,812)	-	(50,812)
Cemetery	95,865	69,320	5,245	-	(21,300)	-	(21,300)
Parks and recreation	115,534	-	-	-	(115,534)	-	(115,534)
Economic development	37,972	-	-	-	(37,972)	-	(37,972)
Intergovernmental	38,738	-	-	-	(38,738)	-	(38,738)
Art development	12,615	-	-	-	(12,615)	-	(12,615)
Miscellaneous programs	<u>35,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,544)</u>	<u>-</u>	<u>(35,544)</u>
Total governmental activities	<u>5,470,348</u>	<u>552,001</u>	<u>167,109</u>	<u>237,568</u>	<u>(4,513,670)</u>	<u>-</u>	<u>(4,513,670)</u>
Business-type Activities:							
Waterworks and sewer	<u>1,689,448</u>	<u>1,427,239</u>	<u>31,975</u>	<u>57,261</u>	<u>-</u>	<u>(172,973)</u>	<u>(172,973)</u>
Total business-type activity	<u>1,689,448</u>	<u>1,427,239</u>	<u>31,975</u>	<u>57,261</u>	<u>-</u>	<u>(172,973)</u>	<u>(172,973)</u>
Total	\$ <u>7,159,796</u>	\$ <u>1,979,240</u>	\$ <u>199,084</u>	\$ <u>294,829</u>	<u>(4,513,670)</u>	<u>(172,973)</u>	<u>(4,686,643)</u>
General Revenues:							
Taxes:							
Property taxes					157,280	-	157,280
Franchise taxes					180,571	-	180,571
Sales taxes					4,087,805	-	4,087,805
Alcoholic beverage tax					13,549	-	13,549
Licenses and permits					285,881	-	285,881
Investment earnings					9,995	12,249	22,244
Miscellaneous					50,897	-	50,897
Intergovernmental					49,556	-	49,556
Gain from disposition of capital assets					9,850	-	9,850
Insurance proceeds					201,499	-	201,499
Support revenues-pension					<u>29,112</u>	<u>-</u>	<u>29,112</u>
Total general revenues and contributions					<u>5,075,995</u>	<u>12,249</u>	<u>5,088,244</u>
Change in Net Position					562,325	(160,724)	401,601
Net position – beginning					<u>3,111,083</u>	<u>6,209,965</u>	<u>9,321,048</u>
Net position - ending					\$ <u>3,673,408</u>	\$ <u>6,049,241</u>	\$ <u>9,722,649</u>

The accompanying notes are an integral part of this statement.

Town of Amite City  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022

	General Fund	Sales Tax Fund	Economic Development Fund	Arts Council Fund	Non-Major Special Revenue Fund	Total Governmental Funds
<u>Assets</u>						
Cash	\$ 709,122	\$ 2,351	\$ 284,852	\$ 45,531	\$ 1,917	\$ 1,043,773
Investments	843,999	-	-	-	-	843,999
Receivables, net	145,812	332,501	-	-	-	478,313
Prepaid insurance	40,117	-	-	-	-	40,117
Due from other funds-						
General Fund	-	-	87,000	-	-	87,000
Restricted cash	741,254	-	-	-	-	741,254
Total assets	<u>\$ 2,480,304</u>	<u>\$ 334,852</u>	<u>\$ 371,852</u>	<u>\$ 45,531</u>	<u>\$ 1,917</u>	<u>\$ 3,234,456</u>
<u>Liabilities</u>						
Accounts, salaries, and other payables	\$ 263,960	\$ -	\$ -	\$ 440	\$ -	\$ 264,400
Due to other funds -						
Economic Development Fund	87,000	-	-	-	-	87,000
Waterworks Fund	296,351	-	-	-	-	296,351
Unearned Grant Revenue - ARP	705,333	-	-	-	-	705,333
Total liabilities	<u>1,352,644</u>	<u>-</u>	<u>-</u>	<u>440</u>	<u>-</u>	<u>1,353,084</u>
<u>Fund Balance</u>						
Nonspendable: Prepaid insurance	40,117	-	-	-	-	40,117
Restricted: Law enforcement	8,576	-	-	-	-	8,576
Grant Money:						
Future Purchase Vehicle	6,377	-	-	-	-	6,377
Committed: Economic Development	-	-	371,852	-	-	371,852
Promotion of the Arts	-	-	-	45,091	-	45,091
To Pay USDA loans	-	334,852	-	-	-	334,852
Capital Improvements	-	-	-	-	1,917	1,917
Assigned Garbage Truck	18,756	-	-	-	-	18,756
LAMP Investment	843,999	-	-	-	-	843,999
Unassigned	209,835	-	-	-	-	209,835
Total fund balance	<u>1,127,660</u>	<u>334,852</u>	<u>371,852</u>	<u>45,091</u>	<u>1,917</u>	<u>1,881,372</u>
Total liabilities and fund balance	<u>\$ 2,480,304</u>	<u>\$ 334,852</u>	<u>\$ 371,852</u>	<u>\$ 45,531</u>	<u>\$ 1,917</u>	<u>\$ 3,234,456</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
June 30, 2022

Fund balances - total governmental funds	\$ 1,881,372
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:	
Governmental capital assets, net of depreciation	2,683,920
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:	
Compensated absences payable	(82,710)
Lease liability payable	(40,929)
Net pension liability	(694,410)
Deferred outflows and inflows are not financial resources or currently payable. These consist of:	
Deferred outflows-pension liability	329,809
Deferred inflows- pension liability	(403,644)
Net position of governmental activities	<u>\$ 3,673,408</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2022

	General Fund	Sales Tax Fund	Economic Development Fund	Arts Council Fund	Non-Major Special Revenue Fund	Total Governmental Funds
<u>Revenues</u>						
Taxes	\$ 337,851	\$ 4,087,805	\$ -	\$ -	\$ -	\$ 4,425,656
Licenses and permits	285,881	-	-	-	-	285,881
Intergovernmental	487,782	-	-	-	-	487,782
Fines and forfeitures	59,836	-	-	-	-	59,836
Sanitation service fees	379,489	-	-	-	-	379,489
Prisoner housing fees	11,991	-	-	-	-	11,991
Subpoena & bond appearance fees	1,980	-	-	-	-	1,980
Rentals & recreational	4,250	-	-	-	-	4,250
Cemetery	69,320	-	-	-	-	69,320
Miscellaneous	63,833	167	1,412	608	7	66,027
Total Revenues	<u>1,702,213</u>	<u>4,087,972</u>	<u>1,412</u>	<u>608</u>	<u>7</u>	<u>5,792,212</u>
<u>Expenditures</u>						
General government	1,436,215	26,432	-	-	-	1,462,647
Public safety - police	1,945,647	-	-	-	-	1,945,647
Public safety - fire	333,333	-	-	-	-	333,333
Streets	1,200,055	-	-	-	-	1,200,055
Sanitation	375,482	-	-	-	-	375,482
Community center	47,393	-	-	-	-	47,393
Cemetery	95,865	-	-	-	-	95,865
Parks and recreation	102,316	-	-	-	-	102,316
Economic development	-	-	35,118	-	-	35,118
Intergovernmental	38,738	-	-	-	-	38,738
Art development	-	-	-	12,615	-	12,615
Miscellaneous	35,544	-	-	-	-	35,544
Debt Service:						
Principal	39,130	-	75,000	-	-	114,130
Interest	3,683	-	-	-	-	3,683
Total Expenditures	<u>5,653,401</u>	<u>26,432</u>	<u>110,118</u>	<u>12,615</u>	<u>-</u>	<u>5,802,566</u>
Excess (Deficiency) of revenues over expenditures	<u>(3,951,188)</u>	<u>4,061,540</u>	<u>(108,706)</u>	<u>(12,007)</u>	<u>7</u>	<u>(10,354)</u>
<u>Other Financing</u>						
<u>Sources (Uses)</u>						
Sale of Capital Asset	10,774	-	-	-	-	10,774
Insurance Proceeds	201,499	-	-	-	-	201,499
Operating transfers in	3,951,000	-	101,283	-	-	4,052,283
Operating transfers out	-	(4,052,283)	-	-	-	(4,052,283)
Total other financing sources (uses)	<u>4,163,273</u>	<u>(4,052,283)</u>	<u>101,283</u>	<u>-</u>	<u>-</u>	<u>212,273</u>
Net change in Fund Balances	212,085	9,257	(7,423)	(12,007)	7	201,919
Fund balances, beginning of year	915,575	325,595	379,275	57,098	1,910	1,679,453
Fund balances, end of year	<u>\$ 1,127,660</u>	<u>\$ 334,852</u>	<u>\$ 371,852</u>	<u>\$ 45,091</u>	<u>\$ 1,917</u>	<u>\$ 1,881,372</u>

The accompanying notes are an integral part of this statement.

TOWN OF AMITE CITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds \$ 201,919

Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	288,433
Depreciation expense	(171,280)

In the statement of activities, only the gain on the sale of equipment is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the equipment disposed of. (5,172)

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

Repayments of lease liability	39,130
Repayment of note from direct borrowing	75,000

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

Change in compensated absences payable	23,318
Pension expense	81,865

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Support revenues-pension	<u>29,112</u>
Change in net position of governmental activities	<u>\$ 562,325</u>

The accompanying notes are an integral part of this statement.



Town of Amite City  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
June 30, 2022

	<u>Business – type Activity</u> <u>Waterworks and</u> <u>Sewer Fund</u>
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 654,573
Investments	18,682
Accounts receivable, net	279,213
Due from General Fund	296,351
Prepaid insurance	2,190
Total current assets	1,251,009
 <u>Restricted Assets</u>	
Cash and cash equivalents	1,491,053
Investments	53,848
Total restricted assets	1,544,901
 <u>Non-current Assets</u>	
Capital assets (net of accumulated depreciation)	7,403,909
Total assets	10,199,819
 <u>Liabilities</u>	
<u>Current Liabilities (payable from current assets)</u>	
Accounts, salaries, and other payables	101,640
Compensated absences payable	6,500
Contract retainage payable	33,417
Contract payable	191,023
Total current liabilities (payable from current assets)	332,580
 <u>Current Liabilities (payable from restricted assets)</u>	
Customer deposits	160,260
Revenue bonds payable	75,587
Total current liabilities (payable from restricted assets)	235,847
 <u>Non-current Liabilities</u>	
Compensated absences payable	10,500
Revenue bonds payable	3,571,651
Total non-current liabilities	3,582,151
Total liabilities	4,150,578
 <u>Net Position</u>	
Net investment in capital assets	3,532,231
Restricted for Debt Service	1,384,641
Unrestricted	1,132,369
Total net position	\$ 6,049,241

The accompanying notes are an integral part of this statement.

Town of Amite City

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION - PROPRIETARY FUND  
For the Year Ended June 30, 2022

	<u>Business-type Activity</u> <u>Waterworks and</u> <u>Sewer Fund</u>
<u>Operating Revenues</u>	
Charges for services -	
Water sales	\$ 577,649
Sewer charges	779,163
Delinquent charges	26,221
Connection charges	18,251
Operating Grants	31,975
Miscellaneous	<u>25,955</u>
Total operating revenues	<u>1,459,214</u>
<u>Operating Expenses</u>	
Salaries	429,113
Payroll taxes	32,020
Employee benefits	133,730
Electricity -	
Water pumps	35,427
Sewerage plant	135,806
Repairs/Supplies -	
Water system	111,866
Sewerage system	161,433
Insurance	44,571
Truck expense	41,180
Office expense	12,393
Water testing	19,979
Sewerage testing	31,986
Professional fees	41,067
Other	12,189
Depreciation	<u>273,290</u>
Total operating expenses	<u>1,516,050</u>
Net operating loss	<u>(56,836)</u>
<u>Non-operating Revenues (Expenses)</u>	
Loss on abandoned capital asset	(44,092)
Capital Grants	57,261
Interest income	12,249
Interest expense	<u>(129,306)</u>
Total non-operating expense	<u>(103,888)</u>
Change in net position	(160,724)
Total Net Position, Beginning	<u>6,209,965</u>
Total Net Position, Ending	<u>\$6,049,241</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For the Year Ended June 30, 2022

	<u>Business-type Activity</u> <u>Waterworks and</u> <u>Sewer Fund</u>
<u>Cash flows from operating activities:</u>	
Receipts from customers	\$ 1,528,654
Receipts from operating grants	31,975
Payments to suppliers	(638,824)
Payments to employees	(594,863)
Net cash provided by operating activities	326,942
 <u>Cash flows from noncapital financing activities:</u>	
Loan to general fund	(150,000)
 <u>Cash flows from capital and related financing activities:</u>	
Grant proceeds	57,261
Payments on USDA loans	(73,200)
Payments on DEQ loan	(271,000)
Interest paid	(129,306)
Purchase of capital assets	(168,838)
Net cash (used) for capital and related financing activities	(585,083)
 <u>Cash flows from investing activities:</u>	
Interest income	12,249
Net (decrease) in cash and cash equivalents	(395,892)
Cash and cash equivalents balance – beginning of year	2,614,048
Cash and cash equivalents balance – end of year	\$ 2,218,156
 <u>Reconciliation of operating income to net cash provided by operating activities:</u>	
Operating loss	\$ (56,836)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	273,290
Change in assets and liabilities:	
Receivables, net	73,262
Due from other funds	28,153
Prepaid Insurance	(462)
Accounts and other payables	9,535
Net cash provided by operating activities	\$ 326,942
 <u>Reconciliation of cash and cash equivalents to statement of net position</u>	
Cash, cash equivalents, and investments	\$ 673,255
Restricted cash, cash equivalents, and investments	1,544,901
Total cash, cash equivalents, and investments	\$ 2,218,156

The accompanying notes are an integral part of this statement.

Town of Amite City

COMBING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
June 30, 2022

	<u>Bond Money Fund</u>	<u>Prisoner Personal Money Fund</u>	<u>Total</u>
<u>Assets</u>			
Cash	\$ <u>8,382</u>	\$ <u>745</u>	\$ <u>9,127</u>
Total Assets	<u>8,382</u>	<u>745</u>	<u>9,127</u>
<u>Liabilities</u>			
Due to defendants	8,382	-	8,382
Due to inmates	<u>-</u>	<u>745</u>	<u>745</u>
Total Liabilities	<u>8,382</u>	<u>745</u>	<u>9,127</u>
<u>Net Position</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

The accompanying notes are an integral part of this statement.

Town of Amite City

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
June 30, 2022

	<u>Bond Money</u> <u>Fund</u>	<u>Prisoner</u> <u>Personal</u> <u>Money Fund</u>	<u>Total</u>
<u>Additions</u>			
Bonds	\$ 65,684	\$ -	\$ 65,684
Inmates personal money	<u>-</u>	<u>504</u>	<u>504</u>
Total Additions	\$ <u>65,684</u>	\$ <u>504</u>	\$ <u>66,188</u>
<u>Deductions</u>			
Settled Deposits	\$ <u>65,684</u>	\$ <u>504</u>	\$ <u>66,188</u>
Total Deductions	<u>65,684</u>	<u>504</u>	<u>66,188</u>
Net increase (decrease) in fiduciary net position	-	-	-
Net position- beginning	<u>-</u>	<u>-</u>	<u>-</u>
Net position- ending	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

The accompanying notes are an integral part of this statement.

## **NOTES TO THE FINANCIAL STATEMENTS**

Town of Amite City

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2022

**INTRODUCTION**

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

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

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

**A. REPORTING ENTITY AND REPORTING MODEL**

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

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

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

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

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

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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



NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

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

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

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

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

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

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

During the year, the Town implemented policies established under GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires all leases (contracts that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange-like transaction) to be reported under a single accounting model for both lessors and lessees. Certain leases that were previously classified as operating leases are to be recognized as lease assets and liabilities. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The adoption of this statement did not materially impact the Town's governmental or business type activities for the year ended June 30, 2022.

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

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

The Town reports the following major governmental funds:

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

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

Special Revenue Funds:

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

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

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

Proprietary Fund:

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

Additionally, the Town reports the following fund type:

Fiduciary Funds:

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

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

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

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

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

**D. DEPOSITS AND INVESTMENTS**

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

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

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

Investments for the Town are reported at fair value. The state investment pool (LAMP) operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**E. RECEIVABLES AND LEASED ASSET RECEIVABLES**

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

Leased asset receivables are a result of leases in which the Town has entered into a contract with a lessee that delivers the right to use a nonfinancial asset of the Town as specified by the contract for a period of time in an exchange or exchange-like transaction. Such receivables are reported on the government – wide financial statements at present value of the lease payments to be received during the lease term. Additionally, the Town would recognize a deferred inflow of resources that is reported at the value of the lease receivable plus any payments received at or before the commencement of the lease for future periods. Assets of agreement entered into in which the Town is the lessor are retained as capital assets of the Town and are reported in the government-wide financial statements as described in the first paragraph of Note I. The Town has not entered into any agreements delivering control of a right to use a nonfinancial asset to a lessee as described above at June 30, 2022.

**F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

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

**G. PREPAIDS**

Prepaid insurance is reported using the consumption method.

**H. RESTRICTED ASSETS**

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

**I. CAPITAL ASSETS**

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

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

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2022

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

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

Right of use assets are a result of leases in which the Town has entered into a contract with a lessor that conveys control of the right to use the lessor's nonfinancial asset as specified by the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statements net of amortization. Right of use assets are amortized at the lesser of the useful life or lease term. The Town has not entered into any agreements gaining control of the right to use a lessor's nonfinancial assets as described above at June 30, 2022.

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

**J. COMPENSATED ABSENCES**

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

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

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

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

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

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

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

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

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

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

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

No liability is reported for unpaid accumulated sick leave.

**K. LONG-TERM OBLIGATIONS**

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

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

**L. RESTRICTED NET POSITION**

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

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

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

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

**M. FUND EQUITY**

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

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

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

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

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

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

The Town has committed resources in the Sales Tax Fund, the Economic Development Fund, Capital Improvements Fund, and the Arts Council Fund. In the Sales Tax Fund, the Town Council has committed these resources to the repayment of the DEQ loan and funding of certain accounts per the bond ordinance dated December 16, 2001, the repayment of the USDA sewer loan and funding of certain accounts per the bond ordinance dated June 1, 2010, and the repayment of the USDA water loan and funding of certain accounts per the bond ordinance dated January 4, 2011. In the Economic Development Fund, the Town has committed resources dedicated to economic development per Ordinance No. 10-2003. The Town has appropriated funding through the budget ordinance of the Town set aside specifically for Capital Improvements. Town Council approval must be obtained prior to any expenditure from this fund. In the Arts Council Fund, the Town has committed resources per Ordinance No. 3-2018. The Town paid the DEQ loan off during FYE June 30, 2022.

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

The Town has assigned resources in the General Fund. Assigned Fund Balance in the General Fund represents garbage fees for the future purchase of a garbage truck and proceeds in LAMP for future grant projects that require a Town match.

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

**NOTES TO FINANCIAL STATEMENTS**

**As of and for the Year Ended June 30, 2022**

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

**N. ESTIMATES**

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

**O. INTERFUND TRANSACTIONS**

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

**P. ELIMINATION AND RECLASSIFICATION**

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

**Q. AD VALOREM TAXES**

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

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

**R. SALES TAXES**

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

**S. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

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

In addition to liabilities, the Statement of Net Position, or Balance Sheet, will sometimes report separate sections for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2022

that time. The Town's only item that qualifies for this category is pension liability. The amounts deferred and recognized as an inflow of resources in the period that the amounts become available.

(2) **STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGET**

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

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

The original proposed budget for the General Fund and all special revenue funds was made available for public inspection on May 04, 2021. A public hearing was held at the Town's city hall on May 24, 2021. The budget was adopted on May 24, 2021.

The budget of the Arts Council Fund was amended once during the fiscal year with amendment taking place on December 7, 2021.

The Budgets of the General Fund, Sales Tax Fund, Economic Development Fund, and Capital Improvement Fund were amended once during the fiscal year with the final amendment taking place on June 29, 2022.

**B. REVENUES – ACTUAL AND BUDGET**

The Louisiana Local Government Budget Act requires a local government to amend its operating budget when the total revenue and other sources fail to meet total budgeted revenues and other sources by 5% or more.

No funds were in noncompliance with the Louisiana Local Government Budget Act 5% provision.



Town of Amite City

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2022

(3) **DEPOSITS AND INVESTMENTS**

At June 30, 2022, the Town had deposits and investments (book balances) totaling \$4,847,182 as follows:

Statements of net position:

Cash and cash equivalents	\$ 1,698,346
Investments	862,681
Restricted asset – cash, cash equivalents, and investments	<u>2,286,155</u>
Total cash, cash equivalents, and investments	<u>\$ 4,847,182</u>

Deposits, investments, and other (GASB 3 and 40 disclosures) as of June 30, 2022, consists of the following:

Cash on hand	\$ 345
Deposits with financial institutions:	
Interest-bearing demand deposits	3,930,308
Investments	
Louisiana Asset Management Pool	843,999
12-month certificate of deposit	<u>72,530</u>
Total deposits and investments	<u>\$ 4,847,182</u>

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

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

At June 30, 2022, the Town has \$4,125,425 in deposits (collected bank balances). These deposits are secured from risk by \$395,157 of federal deposit insurance and \$3,730,268 is uninsured but collateralized with securities held by the custodial bank in the name of the fiscal agent bank.

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

The investment in the Louisiana Asset management Pool (LAMP) – an external investment pool – is stated at the value of the pool shares, which is the same as the fair value.

In accordance with GASB – 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair value, with the estimate of fair value based on quoted market prices.

At June 30, 2022 the Town's investment balances are as follows:

	Carrying Amount	Fair Value
Louisiana Asset Management Pool	\$ <u>843,999</u>	\$ <u>843,999</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAM by Standard's & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 56 as of June 30, 2022.
- Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

LAMP, Inc. issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by writing to LAMP, Inc., 650 Poydras Street, Suite 2220, New Orleans, Louisiana 70130, or by calling (504) 525-5267.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2022

(4) **RECEIVABLES**

Receivables at June 30, 2022, consist of the following:

<u>Class of Receivables</u>	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Total</u>
Taxes -				
Franchise and other	\$ 57,907	\$ -	\$ -	\$ 57,907
Occupational	45,003	-	-	45,003
Sales	-	332,501	-	332,501
Accounts -				
Prisoner housing fees	1,610	-	-	1,610
Garbage	39,211	-	-	39,211
Water and Sewer	-	-	117,483	117,483
Less: Allowance for Uncollectibles	(1,500)	-	(5,500)	(7,000)
Intergovernmental				
Beer Tax	3,581	-	-	3,581
State Grant	-	-	167,230	167,230
Totals	<u>\$ 145,812</u>	<u>\$ 332,501</u>	<u>\$ 279,213</u>	<u>\$ 757,526</u>

An allowance account for taxes receivable is not considered necessary

(5) **AD VALOREM TAXES**

For the year ended June 30, 2022, taxes of 4.94 mills were levied on property with assessed valuations totaling \$26,754,966. Total taxes levied were \$132,245. Taxes receivable at June 30, 2022, were nil.

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

Restricted assets were applicable to the following at June 30, 2022:

Governmental Funds:

General Fund – Drug seizure cash	\$ 8,576
General Fund – Grant money for future purchase of vehicle	6,377
General Fund – American Rescue Plan grant money	707,545
General Fund – Garbage fees for future truck	18,756
	<u>\$ 741,254</u>

Proprietary Fund:

Customers' deposit – cash and investments	\$ 160,260
Revenue Bond requirements funds –USDA	1,384,641
	<u>\$ 1,544,901</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2022

(7) **CAPITAL ASSETS**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2022:

<u>Governmental Activities:</u>	<u>Balance</u> <u>06/30/21</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>06/30/22</u>
Capital assets not depreciated:				
Land and land improvements	\$ 1,381,872	\$ -	\$ -	\$ 1,381,872
Construction in progress	37,185	-	-	37,185
Inactive assets	66,316	-	-	66,316
Total capital assets, not depreciated	<u>1,485,373</u>	<u>-</u>	<u>-</u>	<u>1,485,373</u>
Capital assets, being depreciated:				
Buildings	1,320,505	-	-	1,320,505
Improvements	593,144	-	9,600	583,544
Infrastructure	277,665	-	-	277,665
Vehicles	949,257	73,605	27,701	995,161
Office Equipment	47,819	4,286	-	52,105
Furniture & Fixtures	31,126	-	-	31,126
Machinery & Equipment	636,152	210,542	6,500	840,194
Total capital assets, being depreciated	<u>3,855,668</u>	<u>288,433</u>	<u>43,801</u>	<u>4,100,300</u>
Less: Accumulated depreciation:				
Buildings	800,357	24,155	-	824,512
Improvements	474,796	16,151	6,760	484,187
Infrastructure	44,644	12,172	-	56,816
Vehicles	824,486	71,611	26,777	869,320
Office Equipment	33,842	6,089	-	39,931
Furniture & Fixtures	26,482	656	-	27,138
Machinery & Equipment	564,495	40,446	5,092	599,849
Total accumulated depreciation	<u>2,769,102</u>	<u>171,280</u>	<u>38,629</u>	<u>2,901,753</u>
Total capital assets, being depreciated, net	<u>1,086,566</u>	<u>117,153</u>	<u>5,172</u>	<u>1,198,547</u>
Governmental activities capital assets, net	<u>\$ 2,571,939</u>	<u>\$ 117,153</u>	<u>\$ 5,172</u>	<u>\$ 2,683,920</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 16,706
Public safety	77,264
Streets	35,562
Sanitation	18,007
Parks and recreation	13,218
Community center	7,669
Economic Development	2,854
Total	<u>\$ 171,280</u>

Capital outlay expenditures charged to governmental functions were \$21,560, \$151,873, and \$115,000 for general government, public safety – police, and sanitation, respectively

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

The following is a summary of changes in capital assets for the business-type activity for the fiscal year ended June 30, 2022:

<u>Business-type activity:</u>	<u>Balance</u> <u>06/30/21</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>06/30/22</u>
Capital assets, not being depreciated				
Land – water	\$ 36,392	\$ -	\$ -	\$ 36,392
Land – sewer	25,957	-	-	25,957
Construction in progress	<u>751,995</u>	<u>68,585</u>	<u>820,580</u>	<u>-</u>
Total capital assets not being depreciated	<u>814,344</u>	<u>68,585</u>	<u>820,580</u>	<u>62,349</u>
Capital assets, being depreciated				
Wells	1,085,455	-	-	1,085,455
Storage tanks	643,730	-	-	643,730
Water lines and meters	2,367,084	820,580	-	3,187,664
Sewerage system	6,758,943	-	-	6,758,943
Equipment	<u>335,866</u>	<u>-</u>	<u>-</u>	<u>335,866</u>
Total capital assets, being depreciated	<u>11,191,078</u>	<u>820,580</u>	<u>-</u>	<u>12,011,658</u>
Less accumulated depreciation for:				
Wells	341,338	24,542	-	365,880
Storage tanks	381,362	11,407	-	392,769
Water lines and meters	961,356	54,521	-	1,015,877
Sewerage system	2,449,138	168,810	-	2,617,948
Equipment	<u>263,614</u>	<u>14,010</u>	<u>-</u>	<u>277,624</u>
Total accumulated depreciation	<u>4,396,808</u>	<u>273,290</u>	<u>-</u>	<u>4,670,098</u>
Total capital assets, being depreciated, net	<u>6,794,270</u>	<u>547,290</u>	<u>-</u>	<u>7,341,560</u>
Business-type activities capital assets, net	\$ <u>7,608,614</u>	\$ <u>615,875</u>	\$ <u>820,580</u>	\$ <u>7,403,909</u>

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

Waterworks and Sewer Fund	\$ <u>273,290</u>
Total	\$ <u>273,290</u>

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

(8) **PENSION PLAN**

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

Municipal Police Employees' Retirement System of Louisiana

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

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

*Funding Policy.* Plan members are required by state statute to contribute 10.0 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 29.75% percent of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. In accordance with state statute, the Systems receive insurance premium taxes. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2022. The Town of Amite City contributions to the System for the years ending June 30, 2022, 2021, and 2020, were \$163,844, \$134,152, and \$125,009, respectively, equal to the required contributions for each year.

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

At June 30, 2022, the Town reported a liability of \$694,410 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating towns, actuarially determined. At June 30, 2021, the Town's proportion was .130270 percent.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

For the year ended June 30, 2022, the Town recognized pension expense of \$81,865. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 21,386
Changes of assumptions	76,902	19,809
Net difference between projections and actual earnings on pension plan investments	-	324,235
Changes in proportion and differences between Town contributions and proportionate share of contributions	89,063	38,214
Town contributions subsequent to the measurement date	<u>163,844</u>	<u>-</u>
Total	<u>\$ 329,809</u>	<u>\$ 403,644</u>

\$163,844 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (7,096)
2024	\$ (69,202)
2025	\$ (49,680)
2026	\$ (111,701)
2027	\$ -
Thereafter	\$ -

*Actuarial assumptions.* The total pension liability in June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2021			
Actuarial cost method	Entry Age Normal Cost			
Investment rate of return (Net of investment expense)	2021- 6.750%	2020- 6.950%	2019- 7.125%	2018 – 7.20%
Expected Remaining Service lives	2021- 4 years	2020- 4 Years	2019- 4 Years	2018 - 4 Years
Inflation rate	2021- 2.50%	2020-2.50%	2019- 2.50%	2018- 2.60%
Mortality	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 sale was used.			

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2022

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

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

Cost-of-Living Adjustments

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

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

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

The best estimates of arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2021</u>	
	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Equity	55.50%	3.47%
Fixed Income	30.50%	0.59%
Alternative	14.00%	1.01%
Totals	100%	5.08%
Inflation		2.22%
Expected Arithmetic Returns		7.30%



**NOTES TO FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2022

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

*Sensitivity to Changes in Discount Rate:*

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.750%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.750% or one percentage point higher 7.750% than the current date as of June 30, 2021.

	Changes in Discount Rate		
	1% Decreased	Current Discount Rate	1% Increase
	5.750%	6.750%	7.750%
Net Pension Liability	\$ 1,210,247	\$ 694,410	\$ 263,860

(9) **DEFERRED COMPENSATION PLAN**

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

(10) **RETIREMENT SYSTEM**

Employees of the Town who are not participants in the Municipal Police Employees’ Retirement System of Louisiana are members of the social security system. In addition to employee payroll deductions, Town funds are remitted to match the employee contributions. Aggregate contributions to the social security system for the year ended June 30, 2022, were \$309,382 of which \$154,691 was contributed by the Town.

(11) **COMPENSATED ABSENCES**

At June 30, 2022, employees of the Town have accumulated and vested \$99,710 of employee leave benefits which was computed in accordance with GASB Codification Section C60. Of this amount, \$82,710 is recorded as an obligation of the governmental activities. The leave liability for employees of the Enterprise Fund of \$17,000 is accounted for within the fund.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

(12) NONCURRENT LIABILITIES

**A. SUMMARY OF CHANGES IN LONG-TERM DEBT**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2022:

Governmental Activities:	Balance 6/30/21	Additions	Reductions	Balance 6/30/22	Due Within One Year
Lease liability	\$ 80,059	\$ -	\$ 39,130	\$ 40,929	\$ 40,929
Note from direct borrowing	75,000	-	75,000	-	-
Total Governmental Activities	\$ 155,059	\$ -	\$ 114,130	\$ 40,929	\$ 40,929

  

Business-type Activities:	Balance 6/30/21	Additions	Reductions	Balance 6/30/22	Due Within One Year
Revenue bonds payable DEQ	\$ 271,000	\$ -	\$ 271,000	\$ -	\$ -
Revenue bonds payable – USDA - Sewer	1,971,383	-	38,197	1,933,186	39,534
Revenue bonds payable USDA - Water	1,749,055	-	35,003	1,714,052	36,053
Total Bonds business- type activities	\$ 3,991,438	\$ -	\$ 344,200	\$ 3,647,238	\$ 75,587

**B. LEASES**

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

Assets:	Governmental Activities	Total
Vehicles	\$ 190,004	\$ 190,004
Less Accumulated Amortization	(104,500)	(104,500)
Capital Assets, net	\$ 85,504	\$ 85,504

On August 9, 2019, the Town entered into a finance purchase agreement at an interest rate of 4.60% with Municipal Asset Management Inc. The lease obligation is effective during the period from August 2019 to July 2022. Annual payments of principal and interest of \$42,818 began July 15, 2019. Total payments for the fiscal year ended June 30, 2022 are \$42,813 (principal of \$39,130 and interest of \$3,683 which is reported in the Public safety – police function).

**C. NOTES FROM DIRECT BORROWING**

On January 10, 2020, the Town signed a Credit Deed in the amount of \$150,000 with no interest rate with FKJ 1, LLC for the purchase of real estate. The credit deed is effective during the period from January 2020 through January 2022. Annual payments of \$75,000 began January 2021. There were no outstanding amounts due as of June 30, 2022, for credit deeds.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2022

**D. BONDS**

Revenue bonds payable are comprised of the following issue:

a.) \$2,262,000 Utilities Revenue Bonds, Series 2011A, dated June 14, 2011. Due in annual installments of \$28,000 to \$103,000 starting in January 2013 ending January 2051; interest at 3.5% payable annually starting January 2012.	\$ 1,933,186
b.) \$1,995,000 Utilities Revenue Bonds, Series 2011B, dated January 31, 2012. Due in annual installments of \$27,000 to \$84,000 starting in January 2014 ending January 2052; interest at 3.0% payable annually starting January 2013.	<u>1,714,052</u>
Total Revenue Bonds Payable	<u>\$ 3,647,238</u>

**E. DEBT SERVICE REQUIREMENTS TO MATURITY**

Governmental Activities:

1. The annual requirements to amortize the Lease liability debt outstanding as of June 30, 2022, including interest are as follows:

<u>Year ending June 30</u>	<u>Lease liability</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 40,929	\$ 1,889	\$ 42,818
	<u>40,929</u>	<u>1,889</u>	<u>42,818</u>

Business-type Activities:

3. The annual requirements to amortize the Revenue Bonds debt outstanding as of June 30, 2022, including interest, are as follows:

<u>Year Ending June 30</u>	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 75,587	\$ 119,091	\$ 194,678
2024	78,052	116,626	194,678
2025	80,598	114,080	194,678
2026	83,228	111,449	194,677
2027	85,945	108,733	194,678
2028-2032	473,687	499,704	973,391
2033-2037	556,287	417,104	973,391
2038-2042	653,386	320,005	973,391
2043-2047	767,544	205,846	973,390
2048-2052	792,924	72,064	864,988
	<u>\$ 3,647,238</u>	<u>\$ 2,084,702</u>	<u>\$ 5,731,940</u>

**NOTES TO FINANCIAL STATEMENTS**

As of and for the Year Ended June 30, 2022

**F. CHANGES IN OTHER LONG-TERM LIABILITIES**

During the year ended June 30, 2022, the Town had the following changes in noncurrent liabilities.

	Balance 06/30/21	Additions	Reductions	Balance 06/30/22	Due Within One Year
<b><u>Governmental Activities:</u></b>					
Compensated Absences	\$ 106,028	\$ 67,528	\$ 90,846	\$ 82,710	\$ 78,325
Total government activities	\$ 106,028	\$ 67,528	\$ 90,846	\$ 82,710	\$ 78,325
<b><u>Business-Type Activities:</u></b>					
Compensated Absences	\$ 10,000	\$ 16,363	\$ 9,363	\$ 17,000	\$ 6,500
Total government activities	\$ 10,000	\$ 16,363	\$ 9,363	\$ 17,000	\$ 6,500

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

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

At June 30, 2022, the Town was in **compliance** with this covenant.

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

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

At June 30, 2022, the Town was in **compliance** with this covenant.

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

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

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

At June 30, 2022, the Town was in **compliance** with this covenant.

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

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

At June 30, 2022, the Town was in **compliance** with this covenant.

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

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

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

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

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

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

The Town was in **compliance** with items a., b., c., d., and e. of the above rate covenant for the year ended June 30, 2022.

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

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

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

At June 30, 2022, the Town was in **compliance** with the delinquent utility customers section of the bond ordinance.

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

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

As of June 30, 2022, the Town was in **compliance** with this covenant as the Town was under contract with a certified public accountant for an audit of its records for the year ended June 30, 2022.

Insurance and Fidelity Bonds- The bond ordinance requires the Town to carry full coverage of insurance on the System while the loan agreement requires the Town to maintain insurance policies that will provide against the risk of direct physical loss, damage, or destruction of the System including liability coverage. In

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

addition, per the bond ordinance the Town is required to obtain fidelity bonds on all its officers and employees in a position of authority or in possession of money derived from the operation of the System. The amount of coverage should be adequate enough to protect the Town from loss.

At June 30, 2022, the Town was in **compliance** with this covenant.

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

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

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

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

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

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

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

At June 30, 2022, the Town was in **compliance** with this covenant.

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

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

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

At June 30, 2022, the Town was in **compliance** with this covenant.

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

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

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

At June 30, 2022, the Town was in **compliance** with this covenant.

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

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

At June 30, 2022, the Town was in **compliance** with this covenant.

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

The Town through its governing authority adopted an ordinance on January 4, 2011, authorizing the issuance of Utilities Revenue Bonds, Series 2011B, in the amount of \$1,995,000 to pay for the cost of constructing and acquiring improvements and renovations to the water system of the Town. The ordinance also authorized the execution of a Loan and Pledge Agreement with the United States Department of Agriculture - Rural Development providing for the sale and delivery of said bonds to the United States Department of Agriculture - Rural Development; prescribing the form, fixing the details, and providing for the payment of principal and interest on such bonds; and entering into certain covenants and agreements in connection with the security and payment of said bonds.

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

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

- a. pay the reasonable and necessary expenses of operating and maintaining the System;
- b. to provide for the payment of this water bond, the sewer bond, and the DEQ loan;



Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

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

The Town was in **compliance** with items a., b., c., d., and e. of the above rate covenant for the year ended June 30, 2022.

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

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

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

At June 30, 2022, the Town was in **compliance** with the delinquent utility customers section of the bond ordinance.

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

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

As of June 30, 2022, the Town was in **compliance** with this covenant as the Town was under contract with a certified public accountant for an audit of its records for the year ended June 30, 2022.

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

At June 30, 2022, the Town was in **compliance** with this covenant.

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2022

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

A portion of the proceeds of a 2% sales and use tax levied by the Town net of collection expenses (2022, \$4,061,373) are dedicated as follows:

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

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

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

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

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

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

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

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

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted dedications shall be regarded as surplus and may be used for any lawful corporate purpose.

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

(18) **INTERFUND RECEIVABLES AND PAYABLES / TRANSFERS**

A. Balances due to/from other funds at June 30, 2022, consist of the following:

Due to the Economic Development Fund from the General Fund to offset cash shortage.	\$ 87,000
Due to the Waterworks Fund from the General Fund to offset cash shortage	268,376
Due to the Waterworks Fund from the General Fund for FEMA proceeds	<u>27,975</u>
	<u>\$ 383,351</u>

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

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Balance Sheet - Governmental Funds	\$ 87,000	\$ 383,351
Statement of Net Position - Proprietary Fund	<u>296,351</u>	<u>-</u>
	<u>\$ 383,351</u>	<u>\$ 383,351</u>

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

B. Interfund transfers at June 30, 2022, consist of the following:

From the Sales Tax Fund to the General Fund to subsidize operations	\$ 3,951,000
From the Sales Tax Fund to the Economic Development Fund as required by Ordinance 10-2003	<u>101,283</u>
	<u>\$ 4,052,283</u>

(19) **LITIGATION AND CLAIMS**

At June 30, 2022, the Town is involved in litigation or is aware of various claims totaling an undetermined amount. No amounts have been accrued related to litigation and claims as of June 30, 2022.

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

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

Walter Daniels, Mayor	\$ 30,000
Lendrick Francois, Chief of Police	82,253
<u>Town Council</u>	
Jonathon Foster	11,400
Damon S. Ellzey	11,400
Roseline A. Sumrall	11,400
Emmanuel Zanders	950
Kris Hart	11,400
Charles M. Guzzardo	<u>10,450</u>
	<u>\$169,253</u>

Compensation paid to the board members of the Town of Amite City's Planning and Zoning Commission for the year ended June 30, 2022, is as follows:

Wash Edwards	\$ 300
Irma Kelly	200
Chic Core	200
Mary Lou Lee	<u>275</u>
	<u>\$ 975</u>

(21) **ON BEHALF PAYMENTS BY STATE OF LOUISIANA**

For the year ended June 30, 2022 the State of Louisiana made on behalf payments in the form of supplemental pay to the Town's policemen. In accordance with GASB 24, the Town has recorded \$97,150 of on behalf payments as revenue and as expense in the General Fund.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2022

(22) **RISKS AND UNCERTAINTIES**

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

(23) **CUSTODIAL CREDIT RISK – DEPOSITS**

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2022, \$4,125,425 of the Town's bank balances are exposed to custodial credit risk. The \$3,730,268 is uninsured but collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name.

(24) **COMMITMENTS AND CONTINGENCIES**

The Town had two professional service contracts as of June 30, 2022. At year end, the commitments were with the following professionals. These contracts are due within the next fiscal year, June 30, 2023.

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Data Center, LLC (redistricting)	\$ 10,000	\$ 10,000
Larry's Lawn Care	\$ 37,917	\$ 53,083

(25) **OTHER MATTERS**

On January 5, 2021, Councilman Emmanuel Zanders III was indicted on eight felony election fraud charges violating Louisiana's election integrity laws. He entered into a plea deal with the district attorney in July 2021, pleading guilty to one misdemeanor count and resigning as a city councilman.

On December 14, 2021, Councilman Kristian Hart and former police chief Jerry Trabona were indicted by federal grand jury in New Orleans on criminally violating federal election laws as part of a scheme to pay for votes in a federal election in 2016. Both Hart and Trabona were scheduled to appear in the federal court located in New Orleans on December 17, 2021.

On July 20, 2022, both Hart and Trabona pleaded guilty to one count of conspiring to pay voters in an election in which a federal candidate appeared on the ballot. Hart also pleaded guilty to an additional three counts of paying and offering to pay voters in an election in which a federal candidate appeared on the ballot.

The Town of Amite City received official notification from the Louisiana Secretary of State of the resignation of Kristian Hart effective July 27, 2022.

On November 30, 2022, both Hart and Trabona were sentenced to one year in prison. Trabona was also ordered to pay a \$10,000 fine.

Management has determined that the charges for which the three elected city officials were indicted did not have an effect on the financial activities of the Town, nor the information included in these financial statements.

Town of Amite City

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2022

(26) **TAX ABATEMENTS**

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

(27) **SUBSEQUENT EVENTS**

Subsequent to June 30, 2022, the following events occurred:

- On August 4, 2022, the Town approved Resolution #5-2022 declaring property as surplus. The items were sent to auction in August 2022, and received proceeds of \$12,000 as a result.

Subsequent events have been evaluated by management through December 22, 2022, the date the financial statements were available for issuance. No other events were noted requiring recording or additional disclosure in the financial statements for the year ending June 30, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION (Part II)**

Town of Amite City

**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND-SUMMARY**  
**For the Year Ended June 30, 2022**

<u>Revenues</u>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Taxes	\$ 320,000	\$ 301,000	\$ 337,851	\$ 36,851
Licenses and permits	212,000	212,000	285,881	73,881
Intergovernmental	1,104,135	545,391	487,782	(57,609)
Fines and forfeitures	100,000	65,000	59,836	(5,164)
Sanitation service fees	306,000	366,000	379,489	13,489
Prisoner housing fees	10,000	10,000	11,991	1,991
Subpoena & bond appearance fees	2,100	2,100	1,980	(120)
Rentals and recreational	8,000	3,000	4,250	1,250
Cemetery	35,000	40,000	69,320	29,320
Miscellaneous	12,000	157,420	63,833	(93,587)
Total revenues	2,109,235	1,701,911	1,702,213	302
 <u>Expenditures</u>				
Current-				
General government	1,352,300	1,503,599	1,436,215	67,384
Public safety- police	2,024,480	2,108,980	1,945,647	163,333
Public safety- fire	320,000	333,333	333,333	-
Streets	1,102,000	1,167,298	1,200,055	(32,757)
Sanitation	277,000	287,000	375,482	(88,482)
Community Center	18,200	48,200	47,393	807
Cemetery	64,625	90,525	95,865	(5,340)
Parks and recreation	110,000	107,000	102,316	4,684
Intergovernmental (DMV)	13,000	44,000	38,738	5,262
Miscellaneous	40,400	39,123	35,544	3,579
Debt Service:				
Principal	39,130	39,130	39,130	-
Interest	3,683	3,683	3,683	-
Total expenditures	5,364,818	5,771,871	5,653,401	118,470
(Deficiency) of revenues over expenditures	(3,255,583)	(4,069,960)	(3,951,188)	118,772
 <u>Other financing sources</u>				
Sale of capital assets	-	-	10,774	10,774
Insurance proceeds	-	-	201,499	201,499
Operating transfers in	3,300,000	3,950,000	3,951,000	1,000
Total other financing sources	3,300,000	3,950,000	4,163,273	213,273
 Net change in Fund Balance	44,417	(119,960)	212,085	332,045
 Fund balance - beginning	146,406	915,575	915,575	-
 Fund balance - ending	\$ 190,823	\$ 795,615	\$ 1,127,660	\$ 332,045

Town of Amite City

**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND - DETAIL**  
**For the Year Ended June 30, 2022**

<u>Revenues</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>Taxes-</b>				
Ad Valorem	\$ 152,000	\$ 133,000	\$ 157,280	\$ 24,280
Public utilities franchise	168,000	168,000	180,571	12,571
<b>Licenses and permits-</b>				
Occupational licenses	195,000	195,000	266,444	71,444
Chain store licenses & Beer Liquor	12,000	12,000	5,798	(6,202)
Permits	5,000	5,000	13,639	8,639
<b>Intergovernmental-</b>				
Beer taxes	10,000	10,000	13,549	3,549
Federal grants - USDA Grant	68,000	63,000	49,600	(13,400)
Federal grants -ARP	817,835	115,000	115,000	-
FEMA Reimbursement	-	179,380	115,650	(63,730)
LGAP Grant	-	-	1,336	1,336
Entergy Grant	-	2,000	2,000	-
Geaux Jobs Reimbursement	12,000	12,000	14,930	2,930
Law Enforcement Fees	(5,000)	(5,000)	(5,129)	(129)
State highway maintenance	5,300	5,300	5,300	-
Department of Motor Vehicles	50,000	40,000	49,556	9,556
On behalf payments by the state	126,000	100,000	97,150	(2,850)
In school officer-TPSB	20,000	20,000	20,000	-
Capital District Grant - Police	-	3,711	3,711	-
Fines and forfeitures	100,000	65,000	64,965	(35)
<b>Charges for services-</b>				
Garbage fees	306,000	366,000	379,489	13,489
Prisoner housing fees	10,000	10,000	11,991	1,991
Subpoena & bond appearance fees	2,100	2,100	1,980	(120)
Rentals and recreational	8,000	3,000	4,250	1,250
<b>Miscellaneous revenues-</b>				
Coke Fund	-	-	222	222
Cemetery	35,000	40,000	69,320	29,320
Interest	-	5,000	7,801	2,801
Miscellaneous	5,000	148,420	50,675	(97,745)
Sale of Fixed Assets	3,000	-	-	-
Accident reports	4,000	4,000	5,135	1,135
<b>Total revenues</b>	<b>\$ 2,109,235</b>	<b>\$ 1,701,911</b>	<b>\$ 1,702,213</b>	<b>\$ 302</b>

(Continued)



Town of Amite City

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND - DETAIL

For the Year Ended June 30, 2022

<u>General Government</u>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Salaries - Mayor and Council	\$ 87,000	\$ 87,000	\$ 87,000	\$ -
Salaries - City Clerk & Tax Collector	58,000	58,000	44,604	13,396
Salaries - City Manager	-	9,615	16,667	(7,052)
Salaries - Clerical & Clerk of Court	189,600	196,200	189,952	6,248
Retirement contributions	62,500	67,000	65,118	1,882
Employee benefits- Health, Life, Denta	140,000	140,000	132,343	7,657
Payroll taxes	150,000	160,000	166,524	(6,524)
Attorney	80,000	80,000	80,000	-
Audit and accounting services	40,000	50,000	39,936	10,064
Insurance (all departments)	350,000	350,000	307,551	42,449
Office expense	25,000	25,000	22,837	2,163
Official journal	2,500	2,500	1,852	648
City Hall utilities	17,000	20,000	17,159	2,841
City Hall telephones	11,000	6,000	4,505	1,495
City Hall maintenance	16,000	51,000	52,771	(1,771)
Convention expense	2,000	2,000	3,079	(1,079)
Dues	1,700	5,000	3,249	1,751
Ad Valorem collection fees	10,000	10,000	21,283	(11,283)
Assessor and tax roll	3,000	3,000	1,791	1,209
Compliance officer expense	6,000	6,000	5,754	246
Medical expense	2,500	3,700	3,871	(171)
Miscellaneous	10,000	10,000	12,911	(2,911)
Contract services	-	2,100	2,059	41
Magistrate judge and city prosecutor	48,000	48,000	46,276	1,724
Litter program	2,000	2,000	497	1,503
Janitorial - city hall	4,000	4,000	4,075	(75)
Amite Pride Salaries	9,000	50,000	44,600	5,400
Amite Pride expenses	1,000	1,000	272	728
Mayor's court expense	5,000	5,000	4,815	185
Subpoena wages & Bond expense	4,000	-	-	-
Election expense	2,000	-	3,293	(3,293)
Equipment acquisition	3,000	20,984	20,984	-
Downtown Coordinator	500	-	-	-
Computer Software	-	-	87	(87)
Consultants	10,000	-	-	-
Engineer	-	3,500	3,500	-
Litigation Deductibles	-	25,000	25,000	-
Total General Government	<u>\$ 1,352,300</u>	<u>\$ 1,503,599</u>	<u>\$ 1,436,215</u>	<u>\$ 67,384</u>

(Continued)

Town of Amite City

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - DETAIL  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<u>Public Safety - Police</u>				
Salaries - Chief of Police	\$ 84,050	\$ 84,050	\$ 82,253	\$ 1,797
Salaries and benefits	1,355,280	1,355,280	1,213,234	142,046
In School Officer	27,020	27,020	23,360	3,660
On behalf payments by state	126,000	100,000	97,150	2,850
Retirement contributions	120,000	171,000	163,844	7,156
Auto fuel	54,000	60,000	64,498	(4,498)
Auto repairs	20,000	20,000	23,405	(3,405)
Uniforms	11,500	12,000	14,503	(2,503)
Repairs and maintenance	8,000	6,000	4,927	1,073
Prisoner expense	17,000	12,000	10,777	1,223
Office expense	30,000	34,000	29,841	4,159
Schools - conventions	8,500	8,500	7,334	1,166
Utilities	25,000	25,000	22,650	2,350
Equipment rent	2,000	2,000	1,925	75
Capital acquisitions	7,000	70,000	145,213	(75,213)
Equipment	30,730	30,730	29,680	1,050
Medical	-	2,000	2,491	(491)
Police Misc	-	2,000	2,612	(612)
Evidence Storage	2,400	2,400	3,000	(600)
Grant expense	5,000	5,000	-	5,000
Subpeona Wages	1,000	-	-	-
Informant monies	1,500	-	-	-
Drug Fund /Miscellaneous expense	5,000	-	-	-
USDA Car and Equipment Expense	83,500	80,000	2,950	77,050
Total Public Safety - Police	<u>\$ 2,024,480</u>	<u>\$ 2,108,980</u>	<u>\$ 1,945,647</u>	<u>\$ 163,333</u>
<u>Public Safety - Fire</u>				
Fire Protection District No. 1	\$ 320,000	\$ 333,333	\$ 333,333	\$ -
Total Public Safety - Fire	<u>\$ 320,000</u>	<u>\$ 333,333</u>	<u>\$ 333,333</u>	<u>\$ -</u>

Town of Amite City

**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND - DETAIL**  
**For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<u>Streets</u>				
Salaries and benefits	\$ 760,000	\$ 810,000	\$ 770,264	\$ 39,736
Street and traffic lights	100,000	100,000	90,820	9,180
Equipment fuel	15,000	25,000	14,485	10,515
Landfill	25,000	25,000	24,615	385
Materials and supplies	50,000	60,000	48,836	11,164
Uniforms	15,000	15,000	12,476	2,524
Utilities	14,000	14,000	11,852	2,148
USDA Truck Grant	27,000	-	-	-
Street vehicle maintenance	40,000	60,000	98,588	(38,588)
Street Drainage	5,000	5,000	6,402	(1,402)
District Public Works	50,000	-	-	-
Mosquito spraying	1,000	-	-	-
Travel	-	-	33	(33)
Hurricane Cleanup	-	52,648	121,047	(68,399)
Christmas Lights	-	650	637	13
Total Streets	<u>\$ 1,102,000</u>	<u>\$ 1,167,298</u>	<u>\$ 1,200,055</u>	<u>\$ (32,757)</u>
<u>Sanitation</u>				
Salaries and Benefits	\$ 82,000	\$ 77,000	\$ 67,052	\$ 9,948
Equipment repairs, supplies, uniform	80,000	70,000	62,183	7,817
Equipment Acquisition	-	-	115,000	(115,000)
Fuel	22,000	30,000	25,206	4,794
Landfill	93,000	110,000	106,041	3,959
Total Sanitation	<u>\$ 277,000</u>	<u>\$ 287,000</u>	<u>\$ 375,482</u>	<u>\$ (88,482)</u>
<u>Community Center</u>				
Salaries and Benefits	\$ 1,200	\$ 1,200	\$ 952	\$ 248
Utilities	7,000	7,000	7,152	(152)
Repairs and supplies	10,000	40,000	39,289	711
Total Community Center	<u>\$ 18,200</u>	<u>\$ 48,200</u>	<u>\$ 47,393</u>	<u>\$ 807</u>
<u>Cemetery</u>				
Salaries	\$ 28,500	\$ 49,000	\$ 46,627	\$ 2,373
Fuel	800	800	-	800
Office Supplies	1,200	-	74	(74)
Materials, supplies, and fuel	8,200	13,000	32,309	(19,309)
Contract Services	-	-	2,028	(2,028)
Cemetery slab	24,000	24,800	12,200	12,600
Miscellaneous	1,000	2,000	1,673	327
Utilities	925	925	954	(29)
Total Cemetery	<u>\$ 64,625</u>	<u>\$ 90,525</u>	<u>\$ 95,865</u>	<u>\$ (5,340)</u>

(Continued)

Town of Amite City

**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND - DETAIL**  
**For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<u>Parks and Recreation</u>				
Salaries and Benefits	\$ -	\$ -	\$ 722	(722)
Repairs, supplies, and beautification	3,000	-	4,265	(4,265)
Utilities	6,000	6,000	6,329	(329)
Park improvements	10,000	10,000	-	10,000
Contract Mowing	91,000	91,000	91,000	-
Total Parks and Recreation	<u>\$ 110,000</u>	<u>\$ 107,000</u>	<u>\$ 102,316</u>	<u>\$ 4,684</u>
<u>Intergovernmental (DMV)</u>				
Maintenance, Repairs and Supplies	\$ 4,000	\$ 35,000	\$ 30,294	\$ 4,706
Utilities	6,000	6,000	5,798	202
Janitorial	3,000	3,000	2,646	354
Total intergovernmental	<u>\$ 13,000</u>	<u>\$ 44,000</u>	<u>\$ 38,738</u>	<u>\$ 5,262</u>
<u>Miscellaneous</u>				
Coroner	\$ 9,000	\$ 9,000	\$ 6,213	\$ 2,787
Dilapidated Properties	12,000	-	-	-
Senior citizens	12,000	16,000	15,453	547
Planning and zoning	1,200	1,200	975	225
Animal shelter	6,200	12,423	12,423	-
Chamber of Commerce	-	500	480	20
Total Miscellaneous	<u>\$ 40,400</u>	<u>\$ 39,123</u>	<u>\$ 35,544</u>	<u>\$ 3,579</u>
<u>Debt Service</u>				
Principal	\$ 39,130	\$ 39,130	\$ 39,130	\$ -
Interest	3,683	3,683	3,683	-
Total Debt Service	<u>\$ 42,813</u>	<u>\$ 42,813</u>	<u>\$ 42,813</u>	<u>\$ -</u>
<u>Other Financing Sources (Uses)</u>				
Sale of capital assets	\$ -	\$ -	\$ 10,774	\$ 10,774
Insurance Proceeds	-	-	201,499	201,499
Operating transfers in:				
Sales Tax Fund	3,300,000	3,950,000	3,951,000	1,000
Total Other Financing Sources (Uses)	<u>\$ 3,300,000</u>	<u>\$ 3,950,000</u>	<u>\$ 4,163,273</u>	<u>\$ 213,273</u>

(Concluded)

Town of Amite City

BUDGETARY COMPARISON SCHEDULE

SALES TAX FUND

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>Revenues</u>				
Sales taxes	\$ 3,450,000	\$ 4,000,000	\$ 4,087,805	\$ 87,805
Interest	-	139	167	28
Total revenues	<u>3,450,000</u>	<u>4,000,139</u>	<u>4,087,972</u>	<u>87,833</u>
<u>Expenditures</u>				
General government - Collection fees	<u>21,000</u>	<u>26,500</u>	<u>26,432</u>	<u>68</u>
Total expenditures	<u>21,000</u>	<u>26,500</u>	<u>26,432</u>	<u>68</u>
Excess of revenues over expenditures	<u>3,429,000</u>	<u>3,973,639</u>	<u>4,061,540</u>	<u>87,901</u>
<u>Other financing (uses)</u>				
Transfer to General Fund	(3,300,000)	(3,950,000)	(3,951,000)	(1,000)
Transfer to Economic Development	<u>(90,000)</u>	<u>(102,000)</u>	<u>(101,283)</u>	<u>717</u>
Total other financing (uses)	<u>(3,390,000)</u>	<u>(4,052,000)</u>	<u>(4,052,283)</u>	<u>(283)</u>
Net change in Fund Balance	39,000	(78,361)	9,257	87,618
Fund balance - beginning	<u>355,991</u>	<u>325,595</u>	<u>325,595</u>	<u>-</u>
Fund balance – ending	<u>\$ 394,991</u>	<u>\$ 247,234</u>	<u>\$ 334,852</u>	<u>\$ 87,618</u>

Town of Amite City

BUDGETARY COMPARISON SCHEDULE  
ECONOMIC DEVELOPMENT FUND  
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>Revenues</u>				
Interest	\$ 2,000	\$ 1,000	\$ 1,412	\$ 412
Total revenues	<u>2,000</u>	<u>1,000</u>	<u>1,412</u>	<u>412</u>
<u>Expenditures</u>				
TEDF Dues	2,055	2,055	4,110	(2,055)
Chamber of Commerce	13,200	13,200	12,250	950
W. -Mulberry Extension	-	2,800	2,510	290
Debt Service:				
Principal	75,000	75,000	75,000	-
Professional Services	-	16,200	16,200	-
Miscellaneous Expenditure	-	-	48	(48)
Total Expenditures	<u>90,255</u>	<u>109,255</u>	<u>110,118</u>	<u>(863)</u>
 (Deficiency) of revenues over expenditures	 (88,255)	 (108,255)	 (108,706)	 (451)
<u>Other financing sources</u>				
Operating transfers in:				
Sales Tax Fund	<u>90,000</u>	<u>102,000</u>	<u>101,283</u>	<u>(717)</u>
Total other financing sources	<u>90,000</u>	<u>102,000</u>	<u>101,283</u>	<u>(717)</u>
Net change in Fund Balance	1,745	(6,255)	(7,423)	(1,168)
Fund balance - beginning	<u>379,275</u>	<u>379,275</u>	<u>379,275</u>	<u>-</u>
Fund balance – ending	<u>\$ 381,020</u>	<u>\$ 373,020</u>	<u>\$ 371,852</u>	<u>\$ (1,168)</u>

Town of Amite City

**BUDGETARY COMPARISON SCHEDULE**  
**ARTS COUNCIL FUND**  
**For the Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>Revenues</u>				
Interest	\$ 200	\$ 200	\$ 258	\$ 58
Miscellaneous – Art Camp	-	-	350	350
Total revenues	<u>200</u>	<u>200</u>	<u>608</u>	<u>408</u>
<u>Expenditures</u>				
Art Development	7,700	7,700	3,674	4,026
Entergy	2,000	2,000	848	1,152
Christmas Decorations	2,000	1,000	1,162	(162)
Capital Acquisition - Battlefield Cross Sculpture	-	21,300	6,931	14,369
Total expenditures	<u>11,700</u>	<u>32,000</u>	<u>12,615</u>	<u>19,385</u>
(Deficiency) of revenues over expenditures	<u>(11,500)</u>	<u>(31,800)</u>	<u>(12,007)</u>	<u>19,793</u>
<u>Other financing sources</u>				
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund Balance	(11,500)	(31,800)	(12,007)	19,793
Fund balance - beginning	<u>62,477</u>	<u>57,098</u>	<u>57,098</u>	<u>-</u>
Fund balance – ending	<u>\$ 50,977</u>	<u>\$ 25,298</u>	<u>\$ 45,091</u>	<u>\$ 19,793</u>

Town of Amite City

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM  
For the Year Ended June 30, 2022

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

9 This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Data reported is measured as of June 30, 2021, (measurement date).

See independent auditors' report.



Town of Amite City

SCHEDULE OF THE TOWN'S CONTRIBUTIONS  
MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM  
For the Year Ended June 30, 2022

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

66

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Data reported is measured as of June 30, 2021, (measurement date).

See independent auditors' report.

**OTHER SUPPLEMENTARY INFORMATION**

Town of Amite City

SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER PAYMENTS TO AGENCY HEADS  
For the Year Ended June 30, 2022

**Agency Head: Walter Daniels, Mayor**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 30,000
Benefits – Medicare	435
Telephone	1,449
Workers Compensation Insurance	<u>121</u>
	<u>\$ 32,005</u>

**Agency Head: Lendrick Francois, Elected Chief of Police**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 82,253
State Supplemental Pay	6,000
Benefits – Insurance	27,349
Benefits – Retirement (29.75% MPERS)	26,255
Benefits – Medicare	1,280
Telephone	516
Workers Compensation Insurance	<u>3,812</u>
	<u>\$ 147,465</u>

Town of Amite City

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY  
For the Year Ended June 30, 2022

	<u>First Six Month Period Ended 12/31/2021</u>	<u>Second Six Month Period Ended 06/30/2022</u>
Amounts Collected – Beginning Balance	\$ <u>12,740</u>	\$ <u>9,262</u>
<u>Collections:</u>		
Bond Fees	32,578	33,107
Interest Earnings on Collected Balances	<u>30</u>	<u>19</u>
Total Collections	<u>32,608</u>	<u>33,126</u>
<u>Disbursements To Governments and Nonprofits:</u>		
Crime Stoppers of Tangipahoa, Inc., criminal court costs/fees	346	332
DHH-THI/SCI, criminal court costs/fees	40	45
Florida Parishes Juvenile Justice, criminal court costs/fees	875	830
Louisiana Commission of Law Enforcement, criminal court costs/fees	816	663
Louisiana Supreme Court, criminal court costs/fees	79	80
Louisiana State Treasurer, criminal court costs/fees	525	498
<u>Amounts “Self-Disbursed” to Collecting Agency:</u>		
Town of Amite City, Bond Fees	1,065	915
Town of Amite City, Criminal Fines - Other	30,384	27,523
<u>Disbursements to Individuals/3<sup>rd</sup> Party Collection or Processing Agencies:</u>		
Bond Fee Refunds	1,498	1,456
Payments to 3 <sup>rd</sup> Party Collection/Processing Agency	<u>458</u>	<u>1,669</u>
Total Disbursements/Retainage	<u>36,086</u>	<u>34,011</u>
Amounts Collected/Not Disbursed/Retained – Ending Balance	\$ <u><u>9,262</u></u>	\$ <u><u>8,377</u></u>

See independent auditors’ report.

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



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, *the Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary funds, and the aggregate remaining fund information, of the **TOWN OF AMITE CITY (TOWN)** as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 22, 2022.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal controls, described in the accompanying schedule of findings and responses as items 2022-001 and 2022-002 that we consider to be material weaknesses

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and *the Louisiana Governmental Audit Guide*.

## **The Town's Response to Findings**

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

## **Purpose of this Report**

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

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

*Faulk & Winkler, LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
December 22, 2022

**TOWN OF AMITE CITY, LOUISIANA**  
**SUMMARY OF PRIOR YEAR FINDINGS AND RESPONSES**

For the year ended June 30, 2022

**2021-001 Internal Control Over Human Resources Functions**

This matter has been reclassified as item 2022-001.

**2021-002 Local Government Budget Act**

This matter is considered resolved.

**2021-003 Appointment of Official Journal**

This matter is considered resolved.



**TOWN OF AMITE CITY, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RESPONSES**

For the year ended June 30, 2022

**1) Summary of Auditors' Results:**

- A) The type of report issued on the financial statements: **Unmodified opinion.**
  - B) Significant deficiencies in internal control that were disclosed by the audit of financial statements: **None.**
  - C) Material weaknesses: **2022-001 and 2022-002.**
  - D) Noncompliance which is material to the financial statements: **None.**
- 2) Finding relating to the financial statements reported in accordance with *Government Auditing Standards*: **2022-001 and 2022-002.**
- 3) Findings relating to compliance reported in accordance with *Government Auditing Standards*: **None.**

# TOWN OF AMITE CITY, LOUISIANA

## SUMMARY OF FINDINGS AND RESPONSES

For the year ended June 30, 2022

### 4) FINDINGS – FINANCIAL STATEMENT

#### 2022-001 Internal Control Over Human Resource Functions

**Fiscal Year Finding Originated:** 2021

**Criteria:** Internal control over human resource functions is necessary to ensure the Town's employees are being paid appropriately and are in compliance with applicable labor laws.

**Condition:** The Town's employee policy states manual that every employee of the Town, except for the City Clerk, Chief of Police, City Attorney, City Manager, and Superintendent of water and sewer must record his or her time working using the time clock method and/or tracking using a sign-in sheet method and must have their supervisor approve their time.

During the audit of the Town's financial statements for the year ended June 30, 2021, standard audit procedures were performed over payroll and personnel functions. The results of the procedures identified that an employee of the Town was being compensated without proper evidence of time recording using either of the methods stated in the Town's employee policy manual and was reported as item 2021-001 for the year ended June 30, 2021.

In testing the Town's prior year reportable item 2021-001 described in the preceding paragraph, we reviewed all timecards for the employee causing this reportable item after December 28, 2021, the date our previous audit report was issued. While performing these procedures, we noted 7 out of 11 instances where there was no indication of proper approval for the employee the procedures were performed over.

**Cause:** The Town does not have adequate controls in place to ensure timecards of all employees, with the exceptions the City Clerk, Chief of Police, City Attorney, City Manager, and Superintendent of water and sewer are properly approved under the methods stated in the Town's personnel policy.

**Effect:** As a result, the Town has failed to comply with its established policies by disbursing funds for the 7 pay periods that had no approval by a supervisor. Additionally, there is a possibility that the employee has received compensation for hours in which no related job duties were being performed, and as a result, may be violation with Article VII, Section 14 of the Louisiana Constitution whereas any political subdivision shall not loan, pledge, or donate public funds.

**Recommendation:** The Town should implement procedures to strengthen internal control over human recourse functions to ensure all employees of the Town, with the exceptions of those mentioned above, are properly inputting time records and time records are properly approved by supervisors as stated by the Town's employee policy manual.

**Views of responsible officials:** See management's corrective action plan following the summary of findings and responses.

# TOWN OF AMITE CITY, LOUISIANA

## SUMMARY OF FINDINGS AND RESPONSES

For the year ended June 30, 2022

### 4) FINDINGS – FINANCIAL STATEMENT (CONTINUED)

#### 2022-002 Written Policies and Procedures

**Fiscal Year Finding Originated:** 2022

**Criteria:** Written policies and procedures are necessary to ensure that the employees of the Town are performing job duties within the adopted policies of the Town, while remaining compliant with laws and regulations.

**Condition:** The Town does not have written policies and procedures established to ensure employees are aware of job duties and related standard operating procedures to ensure the Town is in compliance with laws and regulations.

**Cause:** The Town does not have a formal document establishing policies and procedures and related standard operating procedures of the Town.

**Effect:** As a result, the Town has elevated the possibility of employees improperly and/or ineffectively performing job duties the possibility of a material misstatement in Town's financial statements failing to be prevented, or detected and corrected on a timely basis. Additionally, the Town has also increased the possibility that it is noncompliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements

**Recommendation:** The Town should develop written policies and procedures relating to all financial and operational functions carried out by the Town. Additionally, we recommend that the Town establish written policies and procedures over the following matters identified as exceptions in the Independent Accountants' Report on Applying Agreed-Upon Procedures for the period July 1, 2021, through June 30, 2022:

- Budgeting
- Purchasing
- Disbursements
- Receipts
- Contracting
- Credit cards
- Debt service
- Ethics
- IT disaster recovery
- Sexual harassment

**Views of responsible officials:** See management's corrective action plan following the summary of findings and responses.

**TOWN OF AMITE CITY, LOUISIANA**  
**SUMMARY OF FINDINGS AND RESPONSES**

For the year ended June 30, 2022

**5) FINDINGS – NONCOMPLIANCE**

**None.**



*Council*

**Carl Foster**

*District 1*

**Jonathon Foster**

*District 2*

**Charles "Mose" Guzzardo**

*District 3*

**Damon Ellzey**

*District 4*

**Rose Sumrall**

*District 5*

212 E. Oak Street • Amite, LA 70422

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Fax: (985) 748-3729

**Walter Daniels III, Mayor**

**Lendrick Francois**

*Chief of Police*

**Mark Kolwe**

*City Manager*

**Daine Carlsen**

*City Clerk*

December 22 2022

Faulk & Winkler, LLC  
Certified Public Accountants  
6811 Jefferson Highway  
Baton Rouge, LA 70806

Re: Responses to audit findings for the annual audit as of and for  
the Year Ended June 30, 2022

In your audit report for the annual audit of the Town of Amite City, Louisiana (Town) for the year ended June 30, 2022, you reported findings related to internal controls and compliance.

Below are the Town's responses to those findings.

**Finding 2022-001 Internal Control Over Time Sheets**

The Mayor agrees to take steps to make sure all timecards or time sheets are approved by a higher-ranking supervisor. The payroll accountant has been instructed not to issue a check unless this has been done.

**Finding 2022-002 Update the Policies and Procedures Manual**

The Mayor and management have begun to develop written policies and procedures for the required areas based upon recommendations in the Legislative Auditor's Statewide Agreed-Upon Procedures.

Respectfully submitted,

A handwritten signature in black ink that reads "Walter Daniels III".

Walter Daniels, III, Mayor

**Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures**

**Town of Amite City**

Amite, Louisiana

For the year ended June 30, 2022

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

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Town's management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and schedule of exceptions are as follows:

***Written Policies and Procedures:***

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c. ***Disbursements***, including processing, reviewing, and approving.
  - d. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e. ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j. **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

***Board (or Finance Committee, if applicable):***

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- 2. Obtain and inspect the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a. Observe whether the managing board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
  - c. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.



### ***Bank Reconciliations:***

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

### ***Collections:***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a. Employees that are responsible for cash collections do not share cash drawers/registers.
  - b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a. Observe that receipts are sequentially pre-numbered.
  - b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c. Trace the deposit slip total to the actual deposit per the bank statement.
  - d. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e. Trace the actual deposit per the bank statement to the general ledger.

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

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8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b. At least two employees are involved in processing and approving payments to vendors.
  - c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a. Observe that the disbursement matched the related original invoice/billing statement.

- b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

***Credit Cards/Debit Cards/Fuel Cards/P-Cards:***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
  - b. Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Contracts:***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

***Payroll and Personnel:***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b. Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee and officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.

***Ethics:***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

***Debt Service (excluding nonprofits):***

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

***Fraud Notice:***

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

***Information Technology Disaster Recovery/Business Continuity:***

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25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

***Sexual Harassment:***

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26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a. Number and percentage of public servants in the agency who have completed the training requirements;
  - b. Number of sexual harassment complaints received by the agency;
  - c. Number of complaints which resulted in a finding that sexual harassment occurred;
  - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e. Amount of time it took to resolve each complaint.

**TOWN OF AMITE CITY**  
Amite, Louisiana

**SCHEDULE OF EXCEPTIONS**

For the year ended June 30, 2022

***Exceptions:***

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

***Written Policies and Procedures:***

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**1 (a, b, c, d, f, g, h, i, j, k, l)** The Town did not have written policies and procedures established for the categories listed in the above SAUPs.

***Collections:***

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**5 (a)** Employees responsible for cash collections shared cash drawers at the Town's city hall.

***Ethics:***

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**20 (a)** One out of the five employees selected for testing did not complete the required one hour of ethics training during the fiscal period.

***Management's Response:***

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

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

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

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

*Faulk & Winkler, LLC*  
Certified Public Accountants

Baton Rouge, Louisiana  
December 22, 2022