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Town of Addis, Louisiana
Annual Financial Statements
Year ended December 31, 1999

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Release Date JUL 26 2000

Town of Addis, Louisiana
Annual Financial Statements
Year ended December 31, 1999

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Carroll P. Bourgeois, Mayor
and Members of the Board of Aldermen
Addis, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Addis, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Addis, Louisiana as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 28, 2000, on my consideration of the Town of Addis, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial information listed as "Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Addis, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to such statements taken as a whole.



W. Kathleen Beard
Certified Public Accountant
June 28, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements Overview)

Town of Addis, Louisiana
 Combined Balance Sheet
 All Fund Types and Account Groups
 December 31, 1999
 with Comparative Totals for December 31, 1998

	Governmental Fund Types		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
ASSETS			
Cash in governmental funds	\$327,947	\$750	\$61
Cash and cash equivalents in proprietary funds	0	0	0
Investments	270,242	0	0
Receivables -			
Sales tax	39,373	0	0
Intergovernmental -			
Beer, tobacco & video poker taxes	3,247	0	0
Grants funds	44,944	1,564	0
Franchise fees	19,148	0	0
Accounts/other	0	0	0
Due from other funds	11,009	0	0
Advance to Sanitation - Sewer Project	688,841	0	0
Prepays	0	0	0
Land, buildings, and equipment	0	0	0
Utility plant, and equipment (net)	0	0	0
Restricted assets -			
Deferred Compensation Benefit Investment	0	0	0
TOTAL ASSETS	\$1,404,751	\$2,314	\$61
LIABILITIES AND FUND EQUITY			
Liabilities:			
Current -			
Accounts payable and accrued liabilities	\$37,468	\$1,543	\$0
Deferred revenue	2,650	0	0
Due to other funds	0	100	61
Advance from General fund - Sewer project	0	0	0
Total Current Liabilities	40,118	1,643	61
Payable from restricted assets -			
Deferred Compensation Due Employees	0	0	0
Total Liabilities	40,118	1,643	61
Fund Equity:			
Contributed Capital (net)	0	0	0
Investment in General Fixed Assets	0	0	0
Fund balance - reserved for Sewer receivable	688,841	0	0
Fund balance - unreserved	675,792	671	0
Retained Earnings	0	0	0
Total Fund Equity	1,364,633	671	0
TOTAL LIABILITIES AND FUND EQUITY	\$1,404,751	\$2,314	\$61

The accompanying notes to the financial statements are an integral part of this statement.

Exhibit A

Proprietary Fund Type	Account Group General Fixed Assets	Totals (Memorandum Only)	
		1999	1998
Enterprise			
\$0	\$0	\$328,758	\$548,391
169,505	0	169,505	157,662
0	0	270,242	0
0	0	39,373	44,742
0	0	3,247	6,391
0	0	46,508	50,224
0	0	19,148	15,260
10,842	0	10,842	12,756
0	0	11,009	609
0	0	688,841	688,841
3,079	0	3,079	3,174
0	1,439,834	1,439,834	1,335,228
3,198,170	0	3,198,170	3,266,395
0	0	0	84,473
----- \$3,381,597 =====	----- \$1,439,834 =====	----- \$6,228,557 =====	----- \$6,214,146 =====
\$2,863	\$0	\$41,874	\$41,312
0	0	2,650	2,485
10,847	0	11,009	609
688,841	0	688,841	688,841
----- 702,551	----- 0	----- 744,374	----- 733,247
0	0	0	84,473
----- 702,551	----- 0	----- 744,374	----- 817,720
2,536,691	0	2,536,691	2,606,945
0	1,439,834	1,439,834	1,335,228
0	0	688,841	688,841
0	0	676,463	624,983
142,355	0	142,355	140,429
----- 2,679,045	----- 1,439,834	----- 5,484,184	----- 5,396,425
----- \$3,381,597 =====	----- \$1,439,834 =====	----- \$6,228,557 =====	----- \$6,214,146 =====

Town of Addis, Louisiana
 Combined Statement of Revenues, Expenditures and Changes in
 Fund Balance - All Governmental Fund Types
 Year ended December 31, 1999, with comparative totals for 1998

Exhibit B

	General	Special Revenue	Capital Projects	Totals "Memorandum Only"	
				1999	1998
REVENUES:					
Taxes:					
Parish sales tax	\$499,363	\$0	\$0	\$499,363	\$476,220
Intergovernmental:					
State -					
Tobacco tax	6,357	0	0	6,357	6,357
Beer tax	1,923	0	0	1,923	1,803
Video poker tax	23,769	0	0	23,769	20,307
Capital law enforcement grant	991	0	0	991	8,189
Rural development grant	35,000	0	0	35,000	0
Other	0	0	0	0	415
Federal -					
LCDBG	0	0	160,457	160,457	34,676
La. Law Equipment Block Grant	0	2,351	0	2,351	0
COPS Grant	33,677	0	0	33,677	41,101
Criminal patrols	7,238	0	0	7,238	5,766
State and community highway safety	2,400	0	0	2,400	0
Bulletproof vests grant	2,800	0	0	2,800	0
Charges for services	6,036	0	0	6,036	8,039
Licenses and permits	45,278	0	0	45,278	44,508
Franchise fees	62,393	0	0	62,393	53,306
Fines and forfeitures	61,746	0	0	61,746	56,179
Investment income	13,130	0	0	13,130	18,369
Sale of fixed assets	650	0	0	650	550
Contributions	3,500	0	0	3,500	0
Congres income	10,443	0	0	10,443	0
Miscellaneous	1,327	0	0	1,327	887
Total revenues	818,020	2,351	160,457	980,828	776,672
EXPENDITURES:					
Current -					
General government	239,845	0	0	239,845	203,197
Public safety - Police Department	215,183	0	0	215,183	211,933
Public works - Streets	137,550	0	223,816	361,366	158,351
Capital outlay	110,411	2,543	0	112,954	45,261
Total expenditures	702,989	2,543	223,816	929,348	618,743
Excess (deficiency) of Revenues over Expenditures	115,032	(192)	(63,359)	51,480	157,929
OTHER FINANCING SOURCES (USES):					
Operating transfers In (Out)	(63,315)	(45)	63,359	0	0
Total other financing sources (uses)	(63,315)	(45)	63,359	0	0
Excess (deficiency) of Revenues and other sources over expenditures and other uses	51,717	(237)	(0)	51,480	157,929
FUND BALANCE - BEGINNING	1,312,916	908	0	1,313,824	1,155,895
FUND BALANCE - ENDING	\$1,364,633	\$671	(\$0)	\$1,365,304	\$1,313,824

The accompanying notes to the financial statements are an integral part of this statement.

Town of Addis, Louisiana
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balance - Budget (GAAP Basis) and Actual
 Year ended December 31, 1999 with comparative totals for 1998

	General Fund			Totals (Memorandum Only)			1998 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUE:							
Taxes:							
Sales tax	\$395,000	\$499,363	\$104,363	\$395,000	\$499,363	\$104,363	\$476,220
Intergovernmental:							
State -							
Tobacco tax	5,000	6,357	1,357	5,000	6,357	1,357	6,357
Beer tax	1,300	1,923	623	1,300	1,923	623	1,803
Video poker tax	17,000	23,769	6,769	17,000	23,769	6,769	20,307
Capital law enforcement grant	2,000	991	(1,009)	2,000	991	(1,009)	8,189
Rural development grant	25,000	35,000	10,000	25,000	35,000	10,000	0
SNAP Program	0	0	0	0	0	0	415
Federal -							
COPS Grant	30,000	33,677	3,677	30,000	33,677	3,677	41,101
Criminal patrols	10,000	7,238	(2,762)	10,000	7,238	(2,762)	5,766
Highway Safety	3,000	2,400	(600)	3,000	2,400	(600)	0
Bulletproof vests	0	2,800	2,800	0	2,800	2,800	0
Charges for services:							
Grass cutting	4,250	4,246	(4)	4,250	4,246	(4)	4,246
Hall receipts	2,000	1,790	(210)	2,000	1,790	(210)	3,793
Licenses and permits	45,250	45,278	28	45,250	45,278	28	44,508
Fines and forfeitures	55,000	61,746	6,746	55,000	61,746	6,746	56,179
Franchise fees	49,160	62,393	13,233	49,160	62,393	13,233	53,306
Investment income	10,300	13,130	2,830	10,300	13,130	2,830	18,359
Sale of fixed assets	650	650	0	650	650	0	550
Miscellaneous	12,300	15,270	2,970	12,300	15,270	2,970	887
Total revenues	667,210	818,020	150,810	667,210	818,020	150,810	741,986
EXPENDITURES:							
Current -							
General government	248,200	239,845	8,355	248,200	239,845	8,355	210,963
Public safety - Police Department	232,660	215,183	17,477	232,660	215,183	17,477	203,197
Public works - Streets	212,900	137,550	75,350	212,900	137,550	75,350	123,675
Capital outlay	98,450	110,411	(11,961)	98,450	110,411	(11,961)	45,261
Total expenditures	792,210	702,989	89,221	792,210	702,989	89,221	583,097
Excess Revenues Over (Under) Expenditures	(125,000)	115,032	240,031	(125,000)	115,032	240,031	158,889
OTHER FINANCING SOURCES (USES):							
Operating transfers In (Out)	0	(63,315)	(63,315)	0	(63,315)	(63,315)	(350)
Total other financing sources (uses)	0	(63,315)	(63,315)	0	(63,315)	(63,315)	(350)
Excess (deficiency) of Revenues and other financing sources over (under) expenditures and other financing (uses)	(125,000)	51,717	176,716	(125,000)	51,717	176,716	158,539
FUND BALANCE - BEGINNING	125,000	1,312,916	1,187,916	125,000	1,312,916	1,187,916	1,154,377
FUND BALANCE - ENDING	\$0	\$1,364,633	\$1,364,633	\$0	\$1,364,633	\$1,364,633	1,312,916

The accompanying notes to the financial statements are an integral part of this statement.

Town of Addis, Louisiana
 Combined Statement of Revenues, Expenses and
 Changes in Retained Earnings - Proprietary Fund Types
 Year ended December 31, 1999
 With Comparative Totals for 1998

Exhibit D

	<u>Enterprise Fund - Sewer Fund</u>	
	<u>1999</u>	<u>1998</u>
OPERATING REVENUE		
Sewer fees	\$141,077	\$161,605
Installations	11,010	5,825
Miscellaneous	1,221	1,307
	-----	-----
Total operating revenue	153,308	168,737
OPERATING EXPENSE		
Salaries	46,547	41,649
Medicare & OAB tax	3,711	3,323
Health insurance	7,284	6,571
Expense allowance	288	0
Deferred compensation expense	2,004	1,804
Gas and oil	1,121	929
Insurance	8,594	8,718
Utilities	13,388	14,749
Telephone	796	456
Supplies and small tools	4,299	4,019
Chemicals	1,272	2,306
Repairs and maintenance	19,559	6,640
Testing expense & sludge removal	2,386	1,879
Training	100	380
Uniforms	1,280	1,052
Dues and permits	743	0
Miscellaneous	13,152	4,545
Depreciation	95,113	92,424
	-----	-----
Total Operating Expense	221,637	191,445
	-----	-----
NET OPERATING (LOSS)	(68,328)	(22,708)
Add back depreciation on assets acquired with Contributed Capital	70,254	63,574
	-----	-----
INCREASE (DECREASE) IN RETAINED EARNINGS	1,926	40,867
RETAINED EARNINGS - BEGINNING	140,429	99,562
	-----	-----
RETAINED EARNINGS - ENDING	\$142,355	\$140,429
	=====	=====

The accompanying notes to the financial statements are an integral part of this statement.

Town of Addis, Louisiana
 Combined Statement of Cash Flows
 Proprietary Fund Types
 Year ended December 31, 1999
 With Comparative Totals for 1998

Exhibit E

	<u>Enterprise Fund - Sewer Fund</u>	
	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$155,221	\$168,642
Cash payments for goods and services	(80,715)	(57,499)
Cash payments for salaries	(46,523)	(42,068)
	-----	-----
Net Cash Provided by (Used for) Operating Activities	27,983	69,075
	-----	-----
CASH FLOWS FOR NONCAPITAL FINANCING ACTIVITIES:		
Operating loan from general fund	10,747	100
Net Cash Provided by (Used for) NonCapital and related financing activities	----- 10,747	----- 100
	-----	-----
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(26,888)	(27,921)
	-----	-----
Net Cash Provided by (Used for) Capital and related financing activities	(26,888)	(27,921)
	-----	-----
INCREASE (DECREASE) IN CASH	11,842	41,254
CASH AND CASH EQUIVALENTS - BEGINNING	157,662	116,408
	-----	-----
CASH AND CASH EQUIVALENTS - ENDING	\$169,505	\$157,662
	=====	=====
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	(\$68,328)	(\$22,708)
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	95,113	92,424
Change in Assets and Liabilities -		
(Increase) Decrease in accounts receivable	1,913	(95)
(Increase) Decrease in prepaid insurance	95	(68)
Increase (Decrease) in due to general fund		
Increase (Decrease) in accounts payable	(833)	(61)
Increase (Decrease) in payroll taxes payable	23	(417)
	-----	-----
Net Cash Provided by (Used for) Operating Activities	27,983	69,075
	=====	=====

The accompanying notes to the financial statements are an integral part of this statement.

Introduction

The Town of Addis was incorporated September 1915, under the provisions of Title 33, Chapter 2, Part 1, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The "Town" operates under a Mayor - Council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Town of Addis, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental funds. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (where applicable). As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Town has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

B. Financial Reporting Entity

GASB Codification Section 2100, as amended by GASB Statement No. 14, established criteria for determining which component units should be considered part of the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes: (1) appointing a voting majority of an organization's governing body, and the ability of the reporting entity to impose its will on that organization's governing body, and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens to the reporting entity; (2) organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity; and (3) organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

For financial reporting purposes, in conformance with GASB Statement No. 14, the Town of Addis, includes all funds, account groups, and activities that are controlled by, or dependent on, the Town executive and legislative branches (Mayor and Board of Aldermen). Control by or dependence on the Town is determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. The accompanying financial statements present only information on the funds maintained by the Town and do not present information on any other governmental entity.

1. Summary of Significant Accounting Policies (Continued)

C. Fund Accounting

The accounts of the Town of Addis are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include assets, liabilities, fund equity, revenues and expenses or expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into two generic fund types under two broad fund categories as follows:

Governmental Funds Types:

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary Funds.

Proprietary Fund Types:

Enterprise Fund - Used to account for operations that are financed and operated in a manner similar to private business enterprises, where the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis are financed through user charges.

General Fixed Asset Group:

The General Fixed Asset Group is used to record the fixed assets used in governmental fund type operations.

1. Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. The Town considers sales taxes available when in the hands of the intermediary collecting governments and are recognized as revenues at that time. Expenditures are recorded when the related fund liability is incurred.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

E. Budget and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Mayor prepares a proposed budget and submits same to the Board of Aldermen prior to the beginning of each year.
2. The budget for the next fiscal year is adopted through passage of a resolution at the last council meeting of each fiscal year.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.
5. Expenditures may exceed budgeted amounts providing funds are available and subsequent to the board's approval.
6. Formal budgetary integration is employed as a management control device. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. All budgetary appropriations lapse at the end of each fiscal year.

I. Summary of Significant Accounting Policies (Continued)

E. Budget and Budgetary Accounting (Continued)

The Town of Addis Police Department does not adopt a budget for the Special Revenue Fund - Asset Forfeiture Fund since the revenue derived from seized assets related to drug law enforcement is not predictable and therefore, does not lend itself to reasonable estimate. Further, the Town does not adopt a budget for the Special Revenue Fund established for the Louisiana Law Equipment Grant since budgetary control is maintained on an individual grant basis. Since the grant period differs from the Town's fiscal year, a comparison of budgeting information for this fund would not be meaningful and has not been presented in the accompanying financial statements.

Likewise, the Town does not adopt a budget for the Capital Project Fund since budgetary control is maintained on an individual grant basis. Since the grant period differs from the Town's fiscal year, a comparison of budgeting information for the Capital Projects Fund would not be meaningful and has not been presented in the accompanying financial statements.

F. Encumbrances

Encumbrance accounting is not employed by the Town of Addis.

G. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

H. Comparative Data

Comparative totals for the prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in the City's financial position and operations. However, presentation of prior year totals by fund type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

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

I. Summary of Significant Accounting Policies (Continued)

I. Fixed Assets

The accounting and reporting treatment applied to fixed assets associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Town has elected to expense public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems. Depreciation is not provided on general fixed assets.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets.

The utility plant recorded in the Enterprise Fund represents the costs incurred for construction of the municipal sewer system. The utility plant and equipment are recorded at cost and depreciation is computed on the straight-line method over estimated useful lives of 8-50 years. Depreciation expense was recorded in the proprietary fund. Interest costs incurred during the construction phase is capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated.

J. Compensated Absences

Employees of the Town earn vacation or sick leave at varying rates based upon length of service. All leave is noncumulative, therefore, no accrual has been made.

2. Cash and Investments

Cash and Cash Equivalents - State statutes require that all deposits in financial institutions be fully collateralized and that the market value of the deposit collateral have a market value of not less than the principal amount of the deposits. At December 31, 1999 the carrying amount of the Town's deposits was \$498,264 and is comprised of checking and savings accounts, certificates of deposits having a maturity of 1 year or less, and also includes cash on hand of \$1,410. The respective bank balance of the Town's deposits was \$501,545. Of the bank balances, \$302,875 was covered by federal depository insurance. The remainder was covered by collateral comprised of pledged securities having a market value of \$400,000 held by First National Bankers Bank in the name of Iberville Trust and Savings Bank (Uncollateralized - Category 3).

Investments - State statutes, and Town investment policies authorize the Town to invest in obligations of the U. S. Government and its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality and insured or collateralized certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. The General Fund holds the following investments:

	<u>Cost Basis</u>	<u>Carrying Value Fair Value</u>	<u>Change in Fair Value</u>
U. S. Treasury Notes	\$ 222,578	\$ 221,995	\$(583)
FNMA Note	<u>50,000</u>	<u>48,247</u>	<u>(1,753)</u>
Total Investments	<u>\$ 272,578</u>	<u>\$ 270,242</u>	<u>\$(2,336)</u>

3. Interfund Receivables/Payable

Amounts due to/from other funds as of December 31, 1999 are:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>
Capital Projects - LCDBG '94	General Fund	\$ 61
Special Revenue - Federal Asset Forfeiture	General Fund	100
Enterprise Fund	General Fund	<u>10,847</u>
		<u>\$ 11,009</u>
Advance Payable	Advance Receivable	
Enterprise Fund - Sanitation	General Fund	<u>\$ 688,841</u>

Town of Addis, Louisiana
Notes to the Financial Statements
December 31, 1999

4. Fixed Assets

A summary of the general fixed assets transactions for the year ended December 31, 1999, follows:

	Balance <u>1/1/99</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/99</u>
Land	\$ 55,803	\$ 0	\$ 0	\$ 55,803
Buildings	544,122	0	0	544,122
Water System	1	0	0	1
Furniture & Fixtures	30,982	1,893	0	32,875
Equipment & Vehicles	217,389	13,294	8,348	222,335
Police department - Equipment & Vehicles	188,998	38,416	0	227,414
Fire department - Equipment & Vehicles	286,811	0	0	286,811
Construction in progress	<u>11,123</u>	<u>59,351</u>	<u>0</u>	<u>70,474</u>
	<u>\$ 1,335,228</u>	<u>\$ 112,954</u>	<u>\$ 8,348</u>	<u>\$ 1,439,834</u>

The following is a summary of the changes in property, plant and equipment of the Enterprise Fund for the year ending December 31, 1999:

	Balance <u>1/1/99</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/99</u>	Accumulated Depreciation	Book Value <u>12/31/98</u>
Utility Plant	\$ 3,674,254	\$ 0	\$ 0	\$ 3,674,254	\$ 600,270	\$ 3,073,984
Land	16,755	0	0	16,755	0	16,755
Equipment	<u>136,563</u>	<u>26,888</u>	<u>0</u>	<u>163,451</u>	<u>56,020</u>	<u>107,431</u>
	<u>\$ 3,827,572</u>	<u>\$ 26,888</u>	<u>\$ 0</u>	<u>\$ 3,854,460</u>	<u>\$ 656,290</u>	<u>\$ 3,198,170</u>

5. Contributed Capital

The following is a summary of capital contributed for construction of the Town's sewer system. This contributed capital is being amortized over a period of 43 years using the straight-line method.

EPA	\$ 1,719,980
LCD Block Grant	628,806
West Baton Rouge Parish Police Jury	68,000
State of Louisiana	50,000
West Baton Rouge Parish	10,000
1994 LCD Block Grant	332,452
Municipality - General Fund	<u>211,692</u>
Total	3,020,930
Less: Accumulated Amortization	<u>(484,239)</u>
Net Contributed Capital	<u>\$ 2,536,691</u>

6. Sewer User Fees

Charges for sewer use are as follows:

\$10 plus \$1.50 per 1,000 gallons after 4,000 for residential
\$20 plus \$1.50 per 1,000 gallons after 4,000 for non-residential

7. Pension Plan

Plan Description Police employees of the Town of Addis are members of the state retirement system for municipal police employees, a cost sharing multiple-employer public employee retirement system. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. Any member is eligible for normal retirement after he has been a member of the System for 1 year, if he has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. Benefits rates are 3 1/3% of average final compensation per number of years of creditable service no to exceed 100% of final salary. The plan also provides for disability benefits calculated a 3% of average final compensation multiplied by years of creditable service, but not less than forty percent nor more than sixty percent of average final compensation. The Municipal Police Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for MPERS. The report may be obtained by calling 1-225-929-7411.

Funding Policy The payroll for employees covered by the System for the year ended December 31, 1999 was \$96,496, the Town's total payroll was \$312,645. Covered employees are required by State statute to contribute 7.5% of their salary to the plan. The Town is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended December 31, 1999 was \$18,504, which consisted of \$10,093 from the Town and \$8,411 from employees; these contributions represent 9% and 7.5% of covered payroll respectively.

8. Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all permanent Town employees, permits them to defer until future years up to 25% of annual gross earnings not to exceed \$8,000. The Town contributes on behalf of its employees based upon employee contributions with a maximum match of 5%. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with GASB No. 32, the Town is no longer required to report the plan in its financial statements.

9. Commitments and Contingencies

The Town of Addis receives Federal and State grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State for expenditures disallowed under the terms and conditions of the appropriate agency. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

On December 17, 1999, the Town of Addis entered into a engineering contract with Environmental Engineers, Inc. for preliminary field work and preparation of a LCDBG grant application for additions to the Town's sewer system. The amount required to be paid under the contract was \$70,000 which was paid in January 2000.

10. COPS FAST Grant

In June 1995, the Town received a three year grant from the Office of Community Oriented Policing Service (COPS) for the purpose of hiring additional police officers. In the first year, the grant pays 80% of the cost of additional police officer salaries and fringe benefits, in the second and third years it pays 76% and 70% respectively. An additional grant was awarded 1998. Amounts spent through December 31, 1999 are detailed as follows and are reported as current expenditures in the General Fund:

	Total Expenditures
Salaries	\$ 32,560
Fringe benefits -	
Medicare/Social security	850
Retirement	2,606
Health insurance	8,699
Workman's Comp insurance	<u>2,183</u>
Total	\$ 46,898
Federal Share	... 33,677
Local Share	\$ 13,221
	=====

11. Fund Balance Reserve

A reserve of the General Fund fund balance has been established for the interfund receivable from the Enterprise Fund of \$688,841. The amount of the receivable represents general fund revenues expended for construction of the Town's Sewer System which was placed in service in 1992.

12. Related Party Transactions

Fire Protection Sub-District No. 1 of West Baton Rouge -

The Town entered into a lease agreement with the District for the lease of one 1995 Ford Truck. In consideration for use of the truck, the District is responsible for maintaining insurance coverage and paying all costs related to the truck.

West Baton Rouge Parish Water Works District No. 1

A service agreement effective through December 31, 2003, was formed between the District and the Town to continue an on-going activity in which the District invoices and collects sewer fees from water customers living within the Town. The sewer rates are based on water usage, and customers may have their water service discontinued for non-payment of sewer fees. No compensation is paid to the District, but the Town accepts customer payments for water, sewer, and garbage charges on behalf of the District. The amount due from the District for customer sewer fees at December 31, 1999 was \$10,355.

13. Federal Grants

Town of Addis expended federal funds under the following grants during the year ended December 31, 1999:

<u>Grant Name</u>	<u>Agency Name</u>	<u>CFDA #</u>	<u>Grant Award</u>	<u>Funds Expended</u>
LCDBG	Dept. Housing & Development	14.228	\$217,182	\$160,457
COPS FAST	Dept. of Justice	16.710	208,506	33,677
Criminal Patrols	Dept. of Justice	16.579	14,345	6,135
Law Enforcement Equipment	Dept. of Justice	16.592	2,351	2,280
Bulletproof Vests	Dept. of Justice	16.607	2,800	2,800
Safe & Sober Holiday Grant	Dept. Transportation	20.600	5,905	1,801
	Totals		\$ 451,089	\$ 207,150

SUPPLEMENTARY INFORMATION

Town of Addis, Louisiana
Schedule of Per Diem Paid to Council Members (Revised)
December 31, 1999

Schedule 1

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

The per diem of the council members is included in the current expenditures of the General Fund.

	<u>Per Diem</u>
Council Members -	
Wilson E. Cazes	\$1,000
Joseph G. Landry	800
Harry J. Landry	800
Gesner J. LeBlanc, III	1,000
Russell L. Parish	1,000

Total	\$4,600
	=====

Town of Addis, Louisiana
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual - General Fund
 Year ended December 31, 1999 with comparative totals for 1998

Schedule 2

	Budget	Actual	Favorable (Unfavorable)	1998 Actual
REVENUE:				
Taxes:				
Sales tax	195,000	211,060	16,060	204,960
Sales tax additional	200,000	288,303	88,303	271,260
Intergovernmental:				
State -				
Tobacco tax	5,000	6,357	1,357	6,357
Beer tax	1,300	1,923	623	1,803
Video poker	17,000	23,769	6,769	20,307
Capital District Law Enforcement	2,000	991	(1,009)	8,189
Rural Development grant	25,000	35,000	10,000	0
SNAP Program	0	0	0	415
Federal -				
COPS FAST Grant	30,000	33,677	3,677	41,101
Criminal patrols grant	10,000	7,238	(2,762)	5,766
State and community highway safety - safe and sober campaign	3,000	2,400	(600)	0
Bulletproof vests grant	0	2,800	2,800	0
Charges for services:				
Grass mowing state contract	4,250	4,246	(4)	4,246
Hall rent receipts	2,000	1,790	(210)	3,793
Licenses & Permits:				
Occupational licenses	\$44,500	\$44,427	(\$73)	\$43,496
Trailer moving permits	150	240	90	180
Building permits	500	468	(33)	742
Bartenders' permits	100	144	44	90
Fines & forfeitures	55,000	61,746	6,746	56,179
Cable TV franchise fees	3,300	5,525	2,225	4,887
Energy franchise fees	45,860	56,868	11,008	48,420
Investment income -				
Interest income	10,300	15,466	5,166	18,359
Net increase (decrease) in fair value of investments	0	(2,336)	(2,336)	0
Sale of fixed assets	650	650	0	550
Miscellaneous				
Planning & zoning	400	400	0	500
Congres income	10,400	10,443	43	0
Contributions	0	3,500	3,500	0
Miscellaneous	1,500	927	(573)	387
Total Revenue	667,210	818,020	150,810	741,986

Town of Addis, Louisiana
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual - General Fund
 Year ended December 31, 1999 with comparative totals for 1998

Schedule 2

	Budget	Actual	Favorable (Unfavorable)	1998 Actual
Expenditures:				
Current:				
General Government -				
Salaries - General Administration	57,000	58,847	(1,847)	54,624
Councilmens' per diem	4,800	4,600	200	3,600
Councilmen's salaries	15,000	15,000	0	15,000
Expense allowance	8,000	10,543	(2,543)	8,677
Building inspector	500	234	266	0
Legal and accounting	16,000	13,616	2,384	16,826
Official journal	3,500	3,601	(101)	3,701
Insurance and bonds	9,000	9,727	(727)	7,384
Health insurance	3,500	3,186	314	2,875
Deferred compensation contributions	3,000	3,787	(787)	3,641
Utilities - Town Hall	11,000	11,335	(335)	11,273
Utilities - Street lights	9,000	7,997	1,003	8,606
Telephone expense	4,500	3,942	558	4,323
Office supplies	7,000	5,743	1,257	5,979
Dues & Subscriptions	1,500	1,840	(340)	1,346
Repairs to buildings	22,000	21,907	93	190
Repairs to equipment	3,500	2,474	1,026	3,310
Cleaning contract - Town Hall	4,000	3,900	100	3,900
Computer upgrade	3,000	2,027	973	1,613
Tools & Supplies	2,500	1,405	1,096	1,759
Uniforms	500	478	22	501
Dog pound and related expenses	5,000	5,708	(708)	4,049
Planning and zoning commission	200	94	106	89
Recreation and parks	3,000	0	3,000	14,950
Unemployment insurance	1,000	43	957	0
Miscellaneous expense	18,400	19,484	(1,084)	20,731
Medicare expense	1,100	1,211	(111)	1,108
OAB Expense	5,000	5,174	(174)	4,732
La Comm Law Enforce - Training	2,000	1,390	610	1,062
La Comm Law Enforce - Reparation	400	338	63	315
Case Management - Docket	800	709	91	802
Engineering fees	2,500	0	2,500	3,710
Congres expense	20,000	19,505	495	287
	-----	-----	-----	-----
Total General Government	248,200	239,845	8,355	210,963

Town of Addis, Louisiana
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual - General Fund
 Year ended December 31, 1999 with comparative totals for 1998

Schedule 2

	Budget	Actual	Favorable (Unfavorable)	1998 Actual
Police Department -				
Salaries	77,800	79,532	(1,732)	67,342
SNAP Program	0	0	0	471
Gas & Oil	7,000	7,973	(973)	7,410
Expense allowance	2,500	2,437	63	2,386
Insurance and bonds	18,000	16,372	1,628	18,366
Health insurance	21,500	20,876	624	25,255
Salaries - Cops Grant - Federal Share	31,400	27,490	3,910	37,470
Retirement expense - Cops Grant - Federal Share	2,400	1,119	1,281	0
Medicare expense - Cops Grant - Federal Share	500	199	301	0
Social security expense - Cops Grant - Federal Share	350	80	270	0
Workers' comp insurance expense - Cops Grant - Federal Share	2,000	856	1,144	0
Health insurance expense - Cops Grant - Federal Share	4,500	3,873	627	0
Salaries - Cops Grant - Town Share	13,500	5,070	8,430	0
Retirement expense - Cops Grant - Town Share	1,000	0	1,000	0
Medicare expense - Cops Grant - Town Share	200	0	200	0
Social security expense - Cops Grant - Town Share	150	0	150	0
Workers' comp insurance expense - Cops Grant - Town Share	900	0	900	0
Health insurance expense - Cops Grant - Town Share	2,000	0	2,000	0
Salaries - Criminal patrols	10,000	9,641	359	7,678
Salaries - Safe and sober campaign	2,500	1,801	699	0
LLEBG grant Town contribution	260	0	260	0
Telephone and pagers	3,000	2,622	378	3,123
Office supplies	2,000	2,044	(44)	1,647
Dues and subscriptions	500	424	76	569
Repairs to equipment	4,500	6,677	(2,177)	4,375
Computer upgrade	1,500	2,199	(699)	338
Tools and supplies	2,500	2,459	41	4,956
Uniforms	2,000	1,764	236	1,702
Medicare expense	1,600	1,817	(217)	1,860
OAB Expense	800	645	155	800
Police Retirement	7,000	8,875	(1,875)	9,367
Training	4,000	3,935	65	1,799
Narcotics	800	730	70	2,798
Miscellaneous	3,500	3,673	(173)	3,232
Public awareness	500	0	500	252
Total Police Department	232,660	215,183	17,477	203,197

Town of Addis, Louisiana
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual - General Fund
 Year ended December 31, 1999 with comparative totals for 1998

Schedule 2

	Budget	Actual	Favorable (Unfavorable)	1998 Actual
Expenditures:				
Current:				
Streets and Sanitation -				
Salaries and wages	64,500	64,117	383	54,174
Gas & oil	3,000	2,969	31	3,111
Insurance & bonds	9,000	8,661	339	8,935
Health insurance	14,500	12,526	1,974	16,237
Deferred compensation	3,000	2,807	193	2,109
Repairs to equipment	8,000	7,979	21	7,985
Tools & supplies	8,000	7,303	697	9,487
Miscellaneous	1,000	970	30	379
Medicare Tax expense	1,000	964	36	856
OAB Tax expense	4,200	4,119	81	3,663
Road repairs and materials	3,500	317	3,183	1,609
Street overlays	0	0	0	0
Drainage and ditching	2,000	0	2,000	266
Tree cutting and removal	3,000	2,125	875	405
Grass cutting	0	0	0	3,353
Grass cutting - contract	9,000	9,020	(20)	9,020
Garbage pickup	1,500	1,372	128	1,482
Street signs	2,700	2,601	99	607
Street repairs	75,000	9,699	65,301	0
Total Streets & Sanitation	212,900	137,550	75,350	123,675
Capital Outlays -				
General Government	45,000	62,819	(17,819)	15,772
Police Department	38,450	35,873	2,577	29,489
Streets and Sanitation	15,000	11,719	3,281	0
Total Capital outlays	98,450	110,411	(11,961)	45,261
Total Expenditures	792,210	702,989	89,221	583,097
Excess Revenues over (under) Expenditures	(125,000)	115,032	240,032	158,889
Other Financing Sources (Uses)				
Operating transfer in - Special Revenue Asset Forfeiture	0	308	308	0
Operating transfers (out) - Special Revenue Asset Forfeiture	0	0	0	(350)
Operating transfers (out) - Special Revenue LLEBG grant	0	(263)	(263)	0
Operating transfers (out) - Capital Projects - LCDBG grant	0	(63,359)	(63,359)	0
Total Other Financing Sources (Uses)	0	(63,315)	(63,315)	(350)
Excess Revenues and other Financing Sources over (under) Expenditures and other Financing (Uses)	(125,000)	51,717	176,717	158,539
Fund Balance - Beginning	125,000	1,312,916	1,187,916	1,154,377
Fund Balance - Ending	\$0	\$1,364,633	\$1,364,633	\$1,312,916

Town of Addis
 Combining Balance Sheets - Special Revenue Funds
 December 31, 1999 with comparative totals for 1998

Schedule 3

	Local Asset Forfeiture	Federal Asset Forfeiture	Louisiana Law Equipment Block Grant	Totals	1998
ASSETS					
Cash on hand	\$300	\$0	\$0	\$300	\$300
Cash in banks	300	100	50	450	608
Grant funds receivable	0	0	1,564	1,564	0
Total Assets	600	100	1,614	2,314	908
LIABILITIES					
Accounts payable	0	0	1,543	1,543	0
Due to other funds	0	100	0	100	0
Total Liabilities	0	100	1,543	1,643	0
FUND EQUITY					
Fund balances	600	0	71	671	908
Total Liabilities and Fund Equity	\$600	\$100	\$1,614	\$2,314	\$908

Town of Addis
 Combining Schedule of Revenue, Expenditures and
 Changes in Fund Balance - Special Revenue Funds
 Year Ended December 31, 1999 with comparative totals for 1998

Schedule 4

	Local Asset Forfeiture	Federal Asset Forfeiture	Louisiana Law Equipment Block Grant	Totals	1998
REVENUE:					
Pro rata share seized assets	0	0	0	0	0
Federal grant	0	0	2,351	2,351	0
Interest income	0	0	0	0	10
Total Revenue	0	0	2,351	2,351	10
EXPENDITURES:					
Current - Public safety Supplies	0	0	0	0	970
Total Current Expenditures	0	0	0	0	970
Capital Outlays	0	0	2,543	2,543	0
Total Capital Outlays	0	0	2,543	2,543	0
Total Expenditures	0	0	2,543	2,543	970
Excess Revenues over (under) Expenditures	0	0	(192)	(192)	(960)
Other Financing Sources (Uses)					
Operating Transfers In General Fund	0	0	263	263	350
Operating Transfers (Out)	(308)	0	0	(308)	0
Total Other Financing Sources (Uses)	(308)	0	263	(45)	350
Excess Revenues and Other Financing Sources over (under) Expenditures and Other Financing (Uses)	(308)	0	71	(236)	(610)
Fund Balance - Beginning	908	0	0	908	1,517
Fund Balance - Ending	\$600	\$0	\$71	\$671	\$908

W. Kathleen Beard
Certified Public Accountant
210 East Main St. - P. O. Box 811
New Roads, Louisiana 70760
(225) 638-3111

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

To the Honorable Mayor and
Members of the Board of Aldermen
Town of Addis, Louisiana

I have audited the general purpose financial statements of the Town of Addis, Louisiana, as of and for the year ended December 31, 1999, and have issued my report thereon dated June 28, 2000. I have conducted my audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Addis, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Addis, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Town of Addis, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general propose financial statements. Reportable conditions are described in the accompanying schedule of findings as items 1, 2, 3, 4 and 5.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Mayor and Members of the Board of Aldermen of the Town of Addis, Louisiana, management, others within the organization, pass through entities, federal awarding agencies and the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.



W. Kathleen Beard
Certified Public Accountant
June 28, 2000

Current Year Findings - Reportable Conditions:

Finding 1. Several police revenue checks were found to not be deposited in the bank and not recorded in the books in a timely manner detailed as follows:

Revenue Source	Amount	Check Date	Date Deposited
Capital District Law Enforcement Council	\$ 1,045.00	7/1/99	10/29/99
Capital District Law Enforcement Council	263.00	7/1/99	10/29/99
Capital District Law Enforcement Council	519.00	7/1/99	11/24/99
Capital District Law Enforcement Council	201.00	7/1/99	11/24/99
Capital District Law Enforcement Council	75.00	7/1/99	11/24/99
WBR Emergency Response Task Force	500.00	9/8/98	3/31/99
WBR Emergency Response Task Force	500.00	9/3/99	2/4/2000

Recommendation:

To ensure that all revenue checks, including the Police Department checks are deposited and recorded in a timely manner, all Town mail should be opened by office personnel who should maintain a Cash Receipts Log to record date received, check date, check number, check amount, source of funds and any other descriptive information necessary of identification. Each check should be logged in immediately then routed directly to the bookkeeper. Copies of revenue checks can be made for department heads if needed. The bookkeeper should deposit all checks within three business days.

Management's Corrective Action Plan:

All of the mail addressed to the Town of Addis shall be picked up by the office clerk and delivered immediately to the Town office.

- Mail shall be opened by the office personnel.
 - Mail of a sensitive nature (departmental business), may be opened by the department representative, but in the presence of the office personnel.
 - Checks shall be immediately logged in the the Cash Receipt Log and will include date of check, date received, amount and source of funds.
 - All checks shall be directed to the bookkeeper. The bookkeeper shall deposit all checks within three business days.
 - Copies of invoices and checks may be made to provide information to departments as necessary.

It should be noted that while the recommendation specifically addresses mail received by the Addis Police Department, the corrective action shall apply to all departments

Current Year Findings - Reportable Conditions(Continued):

Finding 2: Transactions for four bank accounts were not recorded in the books of the Town of Addis. These accounts are maintained by the Addis Police Department personnel who have sole check writing authority:

Addis Police Department Narcotics Account - Bank of West Baton Rouge #0149512700

The purpose of this account is to deposit and expend funds provided by the Town of Addis which are budgeted in the General Fund for narcotics investigations.

Addis Police Special Narcotics Account - Bank of West Baton Rouge #1500134800

This account is actually the Asset Forfeiture Account established in accordance with RS 40:2616 for the purpose of depositing funds received from the District Attorney of the Eighteenth Judicial District for the Town's share of assets seized by the Addis Police Department.

Town of Addis FY98-LIEBG - Iberville Bank #70009740

The purpose of this account is to deposit and expend funds received from the Law Enforcement Equipment Grant #Z98-5-006 in accordance with special conditions contained in the grant award.

Addis Police Dept. - Federal Share Account Bank of West Baton Rouge #002879100

The purpose of this account is for receiving funds related to the Federal Equitable Agreement whereby the Town of Addis would receive a share of federally forfeited assets from the U. S. Departments of Justice and Treasury. The agreement covered a period of three years and expired on September 30, 1999. Town of Addis did not apply for the period ending September 30, 2002.

Recommendation: The bookkeeper for the Town of Addis should maintain books of original entry for all bank accounts of the Town of Addis, including those accounts listed above. Bank statements for all bank accounts should be routed directly to the bookkeeping department, transactions must be recorded each month. Each account should be recorded as follows:

Addis Police Department Narcotics Account - Bank of West Baton Rouge #0149512700

This account should be included within the Town of Addis General Fund. Specifically, the bank account should be reported as a General Fund asset, the expenditures should be recorded in general account #762 "Narcotics" and the narcotics account deposit should off set the General Fund check in a transfer account.

Addis Police Special Narcotics Account - Bank of West Baton Rouge #1500134800

This account should be renamed "Asset Forfeiture Account". A separate fund - a Special Revenue Fund (separate set of books) must be established to account for the transactions in this account.

Current Year Findings - Reportable Conditions(Continued):

Finding 2 (Continued):

Town of Addis FY98-LLEBG - Iberville Bank #70009740

A separate fund - a Special Revenue Fund must be established to account for the transactions in this account. Once all funds are received and expended, any remaining funds should be returned to the State of Louisiana in accordance with the grant award and the account should be closed.

Addis Police Dept. - Federal Share Account Bank of West Baton Rouge #002879100

Since the agreement that this account was established for has expired the account should be closed unless the Town reapplies for the next three year period ending September 30, 2002.

Management's Corrective Action Plan:

The bookkeeper for the Town of Addis shall maintain books of original entry for all bank accounts of the Town of Addis including all departments. Bank statements for all bank accounts shall be routed directly to the bookkeeping department, transactions will be recorded each month. Each account shall be recorded as follows:

Addis Police Department Narcotics Account - Bank of West Baton Rouge #014951270

The account shall be included within the Town of Addis General Fund. The bank account shall be reported as a General Fund asset, checks written shall be recorded as a general fund expenditures and posted to general ledger account #762 "Narcotics" and the narcotics account deposit shall offset the General Fund check in a transfer account.

Addis Police Special Narcotics Account - Bank of West Baton Rouge #1500134800

This account shall be renamed "Asset Forfeiture Account". A separate fund - a Special Revenue Fund (separate set of books) will be established to account for the transactions in this account,

Town of Addis FY98-LLEBG - Iberville Bank #70009740

A separate fund - a Special Revenue Fund will be established to account for the transactions in this account. Once all funds are received and expended, any remaining funds shall be returned to the State of Louisiana in accordance with the grant award and the account will be closed.

Addis Police Dept. - Federal Share Account Bank of West Baton Rouge #002879100

The agreement for this account has expired. The Town of Addis plans to reapply.

Current Year Findings - Reportable Conditions:

Finding 3: Checks were signed with only one authorized signature on the bank account for Town of Addis FY98-ILEBG - Iberville Bank #70009740 .

Recommendation: All checks should be required to have two authorized signatures, one of which should be a member of the governing body, or, in the case of the Police Department, the Police Chief or Acting Police Chief in the Police Chief's absence. Additionally, all signature cards should be updated immediately when there is a change in personnel.

Management's Corrective Action Plan:

All checks shall be required to have two authorized signatures, one of which shall be a member of the governing body, or in the case of Police Department accounts, the Police Chief or Acting Police Chief, in the absence of the Police Chief. All signatures cards shall be updated immediately when there is a change in personnel.

Finding 4: The Police Department receives revenues from several sources, the three main sources are the Capital District Law Enforcement Planning Council, Inc., the Louisiana Commission on Law Enforcement and the Louisiana Highway Safety Commission. The Town of Addis budgets revenues and expenditures separately for each revenue source, however, numerous instances of miscoding of revenue was noted.

Recommendation: Most police grants are either federal grants passed through the State of Louisiana or direct federal funds. These grants often have specific compliance requirements as to depositing and expending funds, maintaining accounting records and special reporting requirements. To ensure that grant requirements related to bank accounts and accounting procedures are complied with and to provide information necessary to accurately record revenue in the proper funds and the proper general ledger account/budget category the bookkeeper must have access to grant award documents. It is my recommendation that upon opening the mail, grant award documents and other financial documents be routed directly to the bookkeeper. The bookkeeper should be responsible for opening bank accounts when required, establishing books of original entry and should establish a file for each grant/project, identified by grant name and number for filing award document and other financial documents. The Police Department should be provided copies of award documents. Police department personnel should provide a copy of all request for funds to the bookkeeper, when the revenue check is received the bookkeeper should attach the check stub with the request and file in the grant file.

Current Year Findings - Reportable Conditions:

Finding 4 (Continued):

Management's Corrective Action Plan:

For grants, upon opening the mail, grant award documents and other financial documents are to be routed directly to the bookkeeper. The bookkeeper will make a copy for his/her files and immediately forward the original grant award to the proper department. The bookkeeper shall be responsible for opening bank accounts when required, establish books of original entry and shall establish a file for each grant/project, identified by grant name and number for filing award documents and other financial documents. Department personnel will provide a copy of all requests for funds for the bookkeeper. When a revenue check is received, the bookkeeper shall attach the check stub with the request and file in the grant file.

Finding 5: Noted numerous Police Department invoices were paid late.

Recommendation: Invoices for all departments including the Police Department should be routed to office personnel responsible for coding checks and preparing checks. Invoices should be sorted by department and made available to department heads for review of accuracy in pricing, accuracy of items or services purchased, comparison with receiving reports, and accuracy of general ledger account coding of invoices. Invoices should not be removed to other locations or departments for review, all invoices should remain with the accounts payable clerk.

Management's Corrective Action:

Invoices for all departments shall be routed to office personnel responsible for coding checks and preparing checks. Invoices shall be sorted by department and made available to department heads for review of accuracy in pricing, accuracy of items or services purchased, etc. Invoices will not be removed to other locations or departments for review, but shall remain with the accounts payable clerk.

Prior Year Findings: There were no prior year findings.