

TOWN OF IOTA, LOUISIANA

STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - PAYROLL FUND
June 30, 1996 and 1995

| ASSETS | Balance, July 1, <u>1995</u> | <u>Additions</u> | <u>Deductions</u> | Balance, June 30, <u>1996</u> |
|-----------------------|------------------------------------|------------------|-------------------|-------------------------------------|
| Cash | <u>\$ 5,701</u> | <u>\$219,363</u> | <u>\$218,975</u> | <u>\$ 6,089</u> |
| LIABILITIES | | | | |
| Payroll taxes payable | \$ 1,133 | \$ 4,821 | \$ 4,885 | \$ 1,069 |
| Due to other | 4,466 | 214,650 | 214,218 | 4,898 |
| Other payables | <u>102</u> | <u>2,715</u> | <u>2,695</u> | <u>122</u> |
| | <u>\$ 5,701</u> | <u>\$222,186</u> | <u>\$221,798</u> | <u>\$ 6,089</u> |

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

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

TOWN OF IOTA, LOUISIANA
COMBINED UTILITIES FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

| | 1996 | | Variance- Favorable (Unfavorable) | 1995 |
|-----------------------------------------------------|-------------------|-------------------|-----------------------------------------|--------------------|
| | Budget | Actual | | Actual |
| Operating income (loss) (totals forwarded) | <u>\$(32,925)</u> | <u>\$ (2,316)</u> | <u>\$ 30,609</u> | <u>\$ 4,681</u> |
| Non-operating revenues and expenses): | | | | |
| Interest income | \$ 3,875 | \$ 7,028 | \$ 3,153 | \$ 5,495 |
| Interest expense | (7,200) | (5,429) | 1,771 | (5,306) |
| Gain (loss) on disposal of asset | - | - | - | (32,534) |
| Recovery of engineering fees | - | <u>21,352</u> | <u>21,352</u> | - |
| | <u>\$(3,325)</u> | <u>\$ 22,951</u> | <u>\$ 26,276</u> | <u>\$(32,345)</u> |
| Gain (loss) before operating interfund transfers | <u>\$(36,250)</u> | <u>\$ 20,635</u> | <u>\$ 56,885</u> | <u>\$ (27,664)</u> |
| Operating interfund transfers: | | | | |
| Operating transfers in | \$ 5,000 | \$ 17,831 | \$ 12,831 | \$ - |
| Operating transfers out | <u>-</u> | <u>(20,000)</u> | <u>(20,000)</u> | <u>(21,568)</u> |
| Total operating interfund transfers | <u>\$ 5,000</u> | <u>\$ (2,169)</u> | <u>\$ (7,169)</u> | <u>\$ (21,568)</u> |
| Net income (loss) | <u>\$(31,250)</u> | <u>\$ 18,466</u> | <u>\$ 49,716</u> | <u>\$ (49,232)</u> |

TOWN OF IOTA, LOUISIANA
COMBINED UTILITIES FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS -
RESTRICTED ACCOUNTS REQUIRED BY BOND ORDINANCE
Year Ended June 30, 1996

| | <u>Bond and Interest Sinking Fund</u> | <u>Reserve Fund</u> | <u>Capital Additions & Contingency Fund</u> | <u>Reserved for Sewer Improve- ments</u> | <u>Total</u> |
|------------------------------------------------|---------------------------------------------------|-------------------------|-------------------------------------------------------------|----------------------------------------------------------|-------------------|
| Cash and investments - beginning of year | <u>\$ 17,927</u> | <u>\$ 27,511</u> | <u>\$ 53,640</u> | <u>\$ 7,050</u> | <u>\$106,128</u> |
| Cash receipts: | | | | | |
| Transfers from operating account | \$ 27,460 | \$ - | \$ - | \$ - | \$ 27,460 |
| Interest earned on investments | <u>680</u> | <u>1,417</u> | <u>2,808</u> | <u>-</u> | <u>4,905</u> |
| | <u>\$ 28,140</u> | <u>\$ 1,417</u> | <u>\$ 2,808</u> | <u>\$ -</u> | <u>\$ 32,365</u> |
| Total cash and investments available | <u>\$ 46,067</u> | <u>\$ 28,928</u> | <u>\$ 56,448</u> | <u>\$ 7,050</u> | <u>\$ 138,493</u> |
| Cash disbursements: | | | | | |
| Payment on matured bonds and interest | \$ 614 | \$ 1,279 | \$ 418 | \$ - | \$ 2,311 |
| Disbursement to Town | 27,040 | - | - | - | 27,040 |
| Paying agent fees | <u>66</u> | <u>138</u> | <u>274</u> | <u>-</u> | <u>478</u> |
| Total disbursements | <u>\$ 27,720</u> | <u>\$ 1,417</u> | <u>\$ 692</u> | <u>\$ -</u> | <u>\$ 29,829</u> |
| Total cash and investments - end of year | <u>\$ 18,347</u> | <u>\$ 27,511</u> | <u>\$ 55,756</u> | <u>\$ 7,050</u> | <u>\$108,664</u> |

TOWN OF IOTA, LOUISIANA
COMBINED UTILITIES FUNDSTATEMENT OF CHANGES IN RETAINED EARNINGS
Years Ended June 30, 1996 and 1995

| | <u>1996</u> | <u>1995</u> |
|-----------------------------|-------------------|-------------------|
| Balance, beginning of year | \$(47,099) | \$ 2,133 |
| Net income (loss) | 18,466 | (49,232) |
| Residual equity transfer in | <u>6,203</u> | <u>-</u> |
| Balance, end of year | <u>\$(22,430)</u> | <u>\$(47,099)</u> |

FIDUCIARY FUND

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

TOWN OF IOTA, LOUISIANA
COMBINED UTILITIES FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

| | 1996 | | Variance- Favorable (Unfavorable) | 1995 |
|---------------------------------------------|-------------------|-------------------|-----------------------------------------|------------------|
| | <u>Budget</u> | <u>Actual</u> | | <u>Actual</u> |
| Operating revenues: | | | | |
| Totals forwarded | <u>\$408,850</u> | <u>\$478,035</u> | <u>\$ 69,185</u> | <u>\$441,555</u> |
| Operating expenses: | | | | |
| Subtotals forwarded | <u>\$337,000</u> | <u>\$374,412</u> | <u>\$(37,412)</u> | <u>\$339,960</u> |
| Operating expenses (continued): | | | | |
| Benefit payments: | | | | |
| Payroll taxes | <u>\$ 8,000</u> | <u>\$ 9,644</u> | <u>\$ (1,644)</u> | <u>\$ 8,908</u> |
| Other operating expenses: | | | | |
| Repairs and maintenance: | | | | |
| Gas system | \$ 12,000 | \$ 6,821 | \$ 5,179 | \$ 11,205 |
| Water system | 3,000 | 17,424 | (14,424) | 4,386 |
| Sewer system | 7,800 | 406 | 7,394 | 1,987 |
| Miscellaneous: | | | | |
| Gas system | 1,000 | 3,584 | (2,584) | 972 |
| Water system | 2,000 | 496 | 1,504 | 2,603 |
| Sewer system | 1,000 | 216 | 784 | 2,493 |
| Printing, stationery and supplies | 3,800 | 6,255 | (2,455) | 4,413 |
| Insurance | 17,000 | 19,731 | (2,731) | 13,042 |
| Superintendent's truck expense | 2,100 | 2,793 | (693) | 2,821 |
| Bad debts | 175 | 573 | (398) | 1,072 |
| Auditing and accounting | 6,200 | 3,515 | 2,685 | 5,643 |
| Legal fees | 2,000 | 2,804 | (804) | 1,826 |
| EPA permit | 3,400 | 1,424 | 1,976 | 3,692 |
| Miscellaneous general expense | 20,550 | 20,979 | (429) | 21,020 |
| Equipment rent | - | 7,830 | (7,830) | 7,830 |
| Water plant phone | 750 | 723 | 27 | 724 |
| Appropriation - auxiliary police | - | 721 | (721) | 2,277 |
| Engineering services | 5,000 | - | 5,000 | - |
| Capital outlay | <u>9,000</u> | <u>-</u> | <u>9,000</u> | <u>-</u> |
| | <u>\$ 96,775</u> | <u>\$ 96,295</u> | <u>\$ 480</u> | <u>\$ 88,006</u> |
| Total operating expenses | <u>\$441,775</u> | <u>\$480,351</u> | <u>\$(38,576)</u> | <u>\$436,874</u> |
| Operating income (loss) (totals forward) | <u>\$(32,925)</u> | <u>\$ (2,316)</u> | <u>\$ 30,609</u> | <u>\$ 4,681</u> |

TOWN OF IOTA, LOUISIANA
COMBINED UTILITIES FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

| | 1996 | | | 1995 |
|--------------------------------|-----------|-----------|-----------------------------------------|-----------|
| | Budget | Actual | Variance- Favorable (Unfavorable) | Actual |
| Operating revenues: | | | | |
| Charges for services: | | | | |
| Natural gas sales | \$205,000 | \$232,921 | \$ 27,921 | \$207,452 |
| Water sales | 120,000 | 141,843 | 21,843 | 134,851 |
| Sewer fees | 78,000 | 94,858 | 16,858 | 90,127 |
| Reconnection charge | 550 | 850 | 300 | 675 |
| Overdue penalty | 2,800 | 4,248 | 1,448 | 5,673 |
| Customer transfer fee | - | 575 | 575 | - |
| | \$406,350 | \$475,295 | \$ 68,945 | \$438,778 |
| Miscellaneous revenue | 2,500 | 2,740 | 240 | 2,777 |
| Total revenue (totals forward) | \$408,850 | \$478,035 | \$ 69,185 | \$441,555 |
| Operating expenses: | | | | |
| Personal services: | | | | |
| Salaries and wages | \$102,000 | \$125,726 | \$(23,726) | \$116,435 |
| Fuel purchased | \$ 94,500 | \$ 94,095 | \$ 405 | \$ 66,506 |
| Supplies and materials: | | | | |
| Gas system | \$ 12,000 | \$ 18,101 | \$ (6,101) | \$ 11,306 |
| Water system | 28,500 | 38,109 | (9,609) | 44,855 |
| Sewer system | 8,600 | 9,085 | (485) | 10,497 |
| | \$ 49,100 | \$ 65,295 | \$ (16,195) | \$ 66,658 |
| Heat, light and power: | | | | |
| Gas system | \$ 1,200 | \$ 1,113 | \$ 87 | \$ 1,766 |
| Water system | 13,300 | 14,106 | (806) | 14,162 |
| Sewer system | 2,900 | 2,823 | 77 | 3,325 |
| | \$ 17,400 | \$ 18,042 | \$ (642) | \$ 19,253 |
| Depreciation | \$ 74,000 | \$ 71,254 | \$ 2,746 | \$ 71,108 |
| Subtotals forward | \$337,000 | \$374,412 | \$(37,412) | \$339,960 |

| LIABILITIES AND FUND EQUITY | <u>1996</u> | <u>1995</u> |
|---------------------------------------|--------------------|--------------------|
| CURRENT LIABILITIES | | |
| Payable from current assets: | | |
| Accounts payable | \$ 14,421 | \$ 37,812 |
| Sales tax payable | 983 | 957 |
| Due to other funds | <u>33,695</u> | <u>36,199</u> |
| | <u>\$ 49,099</u> | <u>\$ 74,968</u> |
| Payable from restricted assets: | | |
| Revenue bonds payable | \$ 23,000 | \$ 22,000 |
| Accrued interest payable | 1,092 | 703 |
| Customers' deposits | <u>30,341</u> | <u>28,536</u> |
| | <u>\$ 54,433</u> | <u>\$ 51,239</u> |
| Total current liabilities | \$ 103,532 | \$ 126,207 |
| OTHER LIABILITIES | | |
| Revenue bonds payable | <u>50,000</u> | <u>73,000</u> |
| Total liabilities | <u>\$ 153,532</u> | <u>\$ 199,207</u> |
| FUND EQUITY | | |
| Contributed capital | <u>\$1,159,152</u> | <u>\$1,159,152</u> |
| Retained earnings: | | |
| Reserved for revenue bond retirement | \$ 18,347 | \$ 17,927 |
| Reserved for revenue bond contingency | 55,756 | 53,640 |
| Reserved for sewer improvements | 34,561 | 27,511 |
| Unreserved | <u>(131,094)</u> | <u>(146,177)</u> |
| | <u>\$ (22,430)</u> | <u>\$ (47,099)</u> |
| | <u>\$1,290,254</u> | <u>\$1,311,260</u> |

TOWN OF IOTA, LOUISIANA
GENERAL FIXED ASSETS GROUP OF ACCOUNTS

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Year Ended June 30, 1996

| | Balance, July 1, <u>1995</u> | <u>Additions</u> | <u>Deductions</u> | Balance, June 30, <u>1996</u> |
|-----------------------------------------------|------------------------------------|------------------|-------------------|-------------------------------------|
| General fixed assets, at cost: | | | | |
| Land | \$ 31,847 | \$ - | \$ - | \$ 31,847 |
| Building and improvements | 72,027 | - | - | 72,027 |
| Improvements other than buildings | 204,034 | - | - | 204,034 |
| Equipment | <u>208,210</u> | <u>22,335</u> | <u>83,242</u> | <u>147,303</u> |
| | <u>\$516,118</u> | <u>\$ 22,335</u> | <u>\$ 83,242</u> | <u>\$455,211</u> |
| Investment in general fixed assets from: | | | | |
| Federal grant | \$ 33,969 | \$ - | \$ - | \$ 33,969 |
| General fund revenues | 272,430 | 6,585 | 73,992 | 205,023 |
| Fire department fund revenues | 7,440 | - | 7,440 | - |
| Sales tax fund revenues | 108,860 | 15,750 | 1,810 | 122,800 |
| Federal and state revenue sharing revenues | <u>93,419</u> | <u>-</u> | <u>-</u> | <u>93,419</u> |
| | <u>\$516,118</u> | <u>\$ 22,335</u> | <u>\$ 83,242</u> | <u>\$455,211</u> |

ENTERPRISE FUND

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

Schedule 2

| <u>Risk Covered</u> | <u>Limits Coverage</u> | <u>Co-Insurance Clause</u> | <u>Expiration Date</u> |
|-----------------------------------------------------------------------|------------------------|----------------------------|------------------------|
| Fire, lightning, extended coverage, vandalism and malicious mischief | \$95,800 | 80% | 4-12-97 |
| Bond | \$1,000,000 | - | 05-01-96 |
| Workmen's compensation & employer's employer's liability | Statutory | - | 12-31-96 |
| Fire, lightning, extended coverage, vandalism and malicious mischief | \$80,900 | 80% | 4-12-97 |
| Comprehensive collision | \$500,000 | - | 05-01-96 |
| Fire, medical payments, property damage | \$500,000 | - | 05-01-96 |
| Fire, lightening, extended coverage, vandalism and malicious mischief | \$973,500 | 80% | 04-12-97 |
| Bond | \$5,000 | - | 11-16-98 |
| Bond | \$1,000 | - | 12-31-96 |
| Bond | \$5,000 | - | 11-18-96 |

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TOWN OF IOTA, LOUISIANA
ALL CAPITAL PROJECTS FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Year Ended June 30, 1996 and 1995

| | <u>Sewer Improvements</u> | <u>Street Improvements</u> | <u>1996</u> | <u>1995</u> |
|------------------------------------------------|-------------------------------|--------------------------------|----------------|--------------------|
| Revenues: | | | | |
| Grant | \$ - | \$218,829 | \$218,829 | \$ 71,967 |
| Appropriation - sales tax | - | 9,008 | 9,008 | 24,717 |
| Appropriation - general fund | - | 20 | 20 | 4,329 |
| Appropriation - utility fund | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,378</u> |
| | \$ - | \$227,857 | \$227,857 | \$102,391 |
| Expenditures: | | | | |
| Capital outlay | <u>-</u> | <u>227,857</u> | <u>227,857</u> | <u>107,424</u> |
| Deficiency of revenues over expenditures | \$ - | \$ - | \$ - | \$ (5,033) |
| Fund balance, beginning | <u>-</u> | <u>(33)</u> | <u>(33)</u> | <u>(74,869)</u> |
| Fund balance (deficit), ending | <u>\$ -</u> | <u>\$ (33)</u> | <u>\$ (33)</u> | <u>\$ (79,902)</u> |

TOWN OF IOTA, LOUISIANA
ALL CAPITAL PROJECTS FUND

COMBINING BALANCE SHEET
June 30, 1996 and 1995

| ASSETS | <u>Sewer Improvements</u> | <u>Street Improvements</u> | <u>1996</u> | <u>1995</u> |
|---------------------------|-------------------------------|--------------------------------|-----------------|------------------|
| Cash and cash equivalents | \$ - | \$ 67 | \$ 67 | \$ 67 |
| Accounts receivable | <u>-</u> | <u>-</u> | <u>-</u> | <u>71,967</u> |
| | <u>\$ -</u> | <u>\$ 67</u> | <u>\$ 67</u> | <u>\$ 72,034</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 71,967 |
| Due to other funds | <u>79,869</u> | <u>100</u> | <u>79,969</u> | <u>79,969</u> |
| | \$ 79,869 | \$ 100 | \$ 79,969 | \$151,936 |
| FUND BALANCE | <u>(79,869)</u> | <u>(33)</u> | <u>(79,902)</u> | <u>(79,902)</u> |
| | <u>\$ -</u> | <u>\$ 67</u> | <u>\$ 67</u> | <u>\$ 72,034</u> |

CAPITAL PROJECTS FUND

UTILITY CAPITAL PROJECT FUND - to account for the collection and disbursement of funds for the proposed improvements to the wastewater treatment plant.

STREET CAPITAL PROJECT FUND - to account for the collection and disbursement of funds for street improvements.

TOWN OF IOTA, LOUISIANA
COMBINED UTILITIES FUND

COMPARATIVE BALANCE SHEET
June 30, 1996 and 1995

| ASSETS | <u>1996</u> | <u>1995</u> |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| CURRENT ASSETS | | |
| Cash | \$ 55,262 | \$ 44,048 |
| Accounts receivable | 48,482 | 54,451 |
| Other receivables | 402 | - |
| Accrued interest receivable | 195 | 164 |
| Due from other funds | 87,930 | 64,260 |
| Inventory - supplies, at cost (FIFO) | 8,504 | 10,585 |
| Prepaid insurance | <u>8,751</u> | <u>4,918</u> |
| Total current assets | <u>\$ 209,526</u> | <u>\$ 178,426</u> |
| RESTRICTED ASSETS | | |
| Bond reserve account | \$ 27,511 | \$ 27,511 |
| Bond capital additions and contingencies account | 55,756 | 53,640 |
| Revenue bond and interest sinking fund | 18,347 | 17,927 |
| Customers' deposits: | | |
| Cash | 23,090 | 20,852 |
| Certificates of deposit | 9,000 | 9,000 |
| Certificates of deposit - Sewer Grant | 26,596 | 25,283 |
| Reserve - sewer improvements | <u>7,050</u> | <u>-</u> |
| | <u>\$ 167,350</u> | <u>\$ 154,213</u> |
| PLANT AND EQUIPMENT, at cost, net of accumulated depreciation of \$908,202 and \$836,948 at June 30, 1996 and 1995, respectively | <u>\$ 913,378</u> | <u>\$ 978,621</u> |
| | <u>\$1,290,254</u> | <u>\$1,311,260</u> |

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James H. Breaux, CPA 1987
Erna R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Winderley, CPA* 1995
Rodney L. Savoy, CPA* 1996

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

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

We have audited the general purpose financial statements of the Town of Iota, Louisiana, of and for the year ended June 30, 1996, and have issued our report thereon dated October 21, 1996.

In connection with our audit of the general purpose financial statements of the Town of Iota, Louisiana, and with our consideration of Town of Iota, Louisiana's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and special tests and provisions (if any) that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Town of Iota, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Iota, Louisiana, had not complied, in all material respects, with those requirements.

The report is intended for the information of management, and the Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poché, Lewis & Breaux

Crowley, Louisiana
October 21, 1996

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

Drug-Free Workplace Act

Finding: The Town is in non-compliance with the general requirement regarding the Drug-Free Workplace Act. However, it was noted that the Town is currently providing drug screening for employees.

Cause: The Town did not adopt all of the specific provisions of the Drug-Free Workplace Act.

Recommendation: We recommend that the Town adopt and implement the provisions of the Drug-Free Workplace Act.

Response: The Town will adopt and implement the provisions of the Drug-Free Workplace Act for future projects.

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

Broussard, Pochi, Lewis & Braux

Crowley, Louisiana
October 21, 1996



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

We have audited the general purpose financial statements of the Town of Iota, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 21, 1996.

We have applied procedures to test the Town of Iota, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

General Requirements

- . Political Activity
- . Davis - Bacon Act
- . Civil Rights
- . Cash Management
- . Federal Financial Reports
- . Allowable Costs/Cost Principles
- . Drug - Free Work Place Act

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Iota, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Town had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of non compliance with those requirements which are described below.

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

We considered these material instances of noncompliance in forming our opinion on whether the 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated October 21, 1996 on those general purpose financial statements.

We also noted other matters involving instances of noncompliance that we have reported to the management of the Town of Iota, Louisiana in a separate letter dated October 21, 1996.

Except as described above, the results of our tests of compliance disclosed, no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management and the Legislative Auditor's office. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Broussard, Pochi, Lewis & Breaux

Crowley, Louisiana
October 21, 1996

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

Response: The Town will monitor all deposit accounts closely to assure there are no uninsured funds for which securities are not pledged as collateral.

Budget

Finding: For the year ended June 30, 1996, actual expenditures exceeded budgeted expenditures by more than five percent in the General Fund.

Cause: Management failed to amend the budget when actual expenditures exceeded budgeted amounts.

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

Response: The Town will continue to monitor the budget closely in order to comply with the five percent limitation.

Finding: For the year ended June 30, 1996, actual expenditures exceeded budgeted expenditures by more than five percent in the Utility Fund.

Cause: Management failed to amend the budget when actual expenditures exceeded budgeted amounts.

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

Response: The Town will continue to monitor the budget closely in order to comply with the five percent limitation.

Investments

Finding: The Town did not develop and adopt an investment policy that details investment objectives.

Cause: Management failed to develop and adopt an investment policy for the Town of Iota.

Recommendation: We recommend that the management develop and adopt an investment policy for the Town of Iota as required by law.

Response: The Town of Iota will develop and adopt an investment policy as required.



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the general purpose financial statements of the Town of Iota, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 21, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the Town of Iota, Louisiana, is the responsibility of the management of the Town of Iota. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests of compliance disclosed the following material instances of noncompliance that are required to be reported herein under Government Auditing Standards.

Cash

Finding: At June 30, 1996, the Town of Iota had on deposit at Bank of Commerce an amount in excess of the FDIC insurance and pledged securities.

Cause: The Town failed to monitor their accounts on a regular basis to ensure adequate coverage.

Recommendation: The Town should more closely monitor their accounts to ensure they are properly insured.

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

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not be necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

This report is intended for the information of management and the Legislative Auditor's Office. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Broussard, Pochi, Lewis & Breaux

Crowley, Louisiana
October 21, 1996

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

programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs into the following categories:

| <u>Accounting Controls</u> | <u>General Requirements</u> | <u>Specific Requirements</u> |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Treasury or financing Revenue/receipts Purchases/disbursements External financial reporting | Political Activity Davis - Bacon Act Civil Rights Cash Management Federal Financial Reports Allowable Costs/Cost Principles Drug-Free Workplace Act | Types of service allowed or unallowed Special tests and provisions |

For all of the internal control structure categories listed above, we obtained and understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, Town of Iota, Louisiana, had no major federal financial assistance programs and expended 100% percent of its total federal financial assistance under the nonmajor federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted no matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Town's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.



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**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

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

We have audited the general purpose financial statements of the Town of Iota, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 21, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of the Town of Iota, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinion on the Town's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated October 21, 1996.

The management of Town of Iota, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance

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TOWN OF IOTA, LOUISIANA
 COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS
 June 30, 1996

| | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Value</u> |
|---------------------------------|--------------------------|--------------------------|------------------|
| Sales Tax Fund: | | | |
| Certificate of deposit - | | | |
| Bank of Commerce & Trust Co. | 4.95% | 12-25-96 | <u>\$ 16,325</u> |
| Combined Utilities Fund: | | | |
| Certificates of deposit - | | | |
| Bank of Commerce & Trust Co. | 5.05% | 08-08-96 | \$ 9,000 |
| Bank of Commerce & Trust Co. | 4.95% | 12-25-96 | 26,596 |
| Bank of Commerce & Trust Co. | 4.95% | 12-25-96 | 7,050 |
| Restricted trust accounts - | | | |
| First National Bank of Commerce | 5.60% | - | 27,511 |
| First National Bank of Commerce | 5.60% | - | 55,756 |
| First National Bank of Commerce | 5.60% | - | <u>18,347</u> |
| | | | <u>\$144,260</u> |
| Total, all funds | | | <u>\$160,585</u> |



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the general purpose financial statements of the Town of Iota, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 21, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the Town of Iota, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The management of the Town of Iota, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS

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

| <u>Award Number</u> | <u>Award Period</u> | <u>Award Type</u> | <u>Revenue</u> | <u>Expenditures</u> |
|---------------------|---------------------|-------------------|------------------|---------------------|
| 101-5038 | 10/05/94 - 10/05/97 | Reimbursement | <u>\$218,829</u> | <u>\$218,829</u> |
| 95-CF-WX-0823 | 03/01/95 - 02/28/98 | Reimbursement | <u>\$ 11,653</u> | <u>\$ 11,653</u> |

VILLAGE OF IOTA, LOUISIANA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
June 30, 1996

| <u>Source of Federal Assistance/ Pass-Through Grantor</u> | <u>Program Name</u> | <u>CFDA Number</u> |
|--------------------------------------------------------------------|--------------------------------------|------------------------|
| <u>U. S. Department of HUD</u> | | |
| Passed-Through State Department's Division of Administration | Community Development Block Grant | 14.219 |
| <u>U. S. Department of Justice</u> | | |
| Direct program: U.S. Department of Justice | COPS FAST Award | 16.726 |

TOWN OF IOTA, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
Year Ended June 30, 1996

| <u>Name</u> | <u>Amount</u> |
|-----------------------|------------------|
| John D. Sittig, Mayor | \$ 4,200 |
| R. B. Fontenot | 1,500 |
| Warren Pousson | 1,500 |
| Raleigh Miller | 1,500 |
| J. D. Leger | 1,000 |
| Thomas Miller | 1,500 |
| J. D. Miller | 500 |
| | <u>\$ 11,700</u> |

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

The mayor receives \$350 per month and the aldermen receive \$125 per month.

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TOWN OF IOTA, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

| | <u>1996</u> | | <u>1995</u> |
|---------------------------------------------------------------------|------------------|--------------------|--------------------------------------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Actual</u> |
| | | | <u>Variance- Favorable (Unfavorable)</u> |
| (Deficiency) of revenues over expenditures (totals forwarded) | \$ (34,200) | \$ (50,726) | \$ (16,526) |
| Other financing sources (uses): | | | |
| Transfers to other funds | \$ (10,800) | \$ (16,021) | \$ (5,221) |
| Transfers from other funds | 35,000 | 20,000 | (15,000) |
| Proceeds from issuance of long-term debt | - | - | - |
| Total other financing sources | <u>\$ 24,200</u> | <u>\$ 3,979</u> | <u>\$ (20,221)</u> |
| Deficiency of revenues and other sources over expenditures | \$ (10,000) | \$ (46,747) | \$ (36,747) |
| Fund balance (deficit) - beginning of year | <u>9,723</u> | <u>9,723</u> | <u>30,410</u> |
| Fund balance - end of year | <u>\$ (277)</u> | <u>\$ (37,024)</u> | <u>\$ 9,723</u> |

TOWN OF IOTA, LOUISIANA
 SCHEDULE OF INSURANCE IN FORCE
 (Unaudited)
 June 30, 1996

| <u>Insurer</u> | <u>Assets Covered</u> |
|--------------------------------------|-----------------------------------------------|
| Commercial Union Insurance Companies | Town Hall and improvements |
| Louisiana Municipal Risk Management | Law enforcement officers and public officials |
| Louisiana Municipal Risk Management | Municipal employees and volunteer firemen |
| Commercial Union Insurance Companies | Municipal building |
| Louisiana Municipal Risk Management | Automobiles |
| Louisiana Municipal Risk Management | General Liability |
| Commercial Union Insurance Companies | Water plant and improvements |
| Western Surety Company | Tax collector |
| Western Surety Company | Clerk |
| Western Surety Company | Clerk |

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SUPPLEMENTARY INFORMATION

TOWN OF IOTA, LOUISIANA
 STATEMENT OF GENERAL LONG-TERM DEBT
 Year Ended June 30, 1996

| | 1993 Series General Obligation <u>Bonds</u> | <u>Totals</u> | |
|--------------------------------------------------------------------------------------|---------------------------------------------------------|------------------|------------------|
| | | <u>1996</u> | <u>1995</u> |
| <u>AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT</u> | | | |
| Amount available in Debt Service Fund | \$ 12,627 | \$ 12,627 | \$ - |
| Amount available for other purposes | (12,627) | (12,627) | - |
| Amount to be provided from: | | | |
| Excess revenues of the Town | <u>70,000</u> | <u>70,000</u> | <u>76,883</u> |
| Total available and to be provided for retirement of long-term debt | <u>\$ 70,000</u> | <u>\$ 70,000</u> | <u>\$ 76,883</u> |
| <u>GENERAL LONG-TERM DEBT PAYABLE</u> | | | |
| Installment purchases payable | \$ - | \$ - | \$ 1,883 |
| Bonds payable | <u>70,000</u> | <u>70,000</u> | <u>75,000</u> |
| | <u>\$ 70,000</u> | <u>\$ 70,000</u> | <u>\$ 76,883</u> |



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

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

Finding: Upon reconciliation of the utility fund's accounts receivable subsidiary ledger to the general ledger, it was noted that these did not agree. It was further noted that the Town does not regularly reconcile the detailed accounts receivable listing to the general ledger.

Response: The Town will begin reconciling the accounts receivable detail listing to the general ledger on a periodic basis.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risks that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that all of the reportable conditions described above are material weaknesses.

This report is intended for the information of management and the Legislative Auditor's office. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Broussard, Poché, Lewis & Breaux

Crowley, Louisiana
October 21, 1996

Exhibit A
(Continued)

| <u>Proprietary Fund Type</u> | <u>Fiduciary Fund Type</u> | <u>Account Groups</u> | | <u>Totals (Memorandum Only)</u> | |
|----------------------------------|--------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|--------------------|
| | | <u>General Fixed Assets</u> | <u>General Long-Term Debt</u> | <u>1996</u> | <u>1995</u> |
| <u>Enterprise</u> | <u>Agency</u> | | | | |
| \$ 14,421 | \$ - | \$ - | \$ - | \$ 28,035 | \$ 115,519 |
| 983 | - | - | - | 983 | 957 |
| - | 1,191 | - | - | 1,191 | 1,235 |
| 23,000 | - | - | - | 23,000 | 22,000 |
| 1,092 | - | - | - | 1,092 | 703 |
| 30,341 | - | - | - | 30,341 | 28,536 |
| 33,695 | 4,898 | - | - | 211,885 | 182,866 |
| - | - | - | 70,000 | 70,000 | 75,000 |
| 50,000 | - | - | - | 50,000 | 73,000 |
| - | - | - | - | - | 1,883 |
| <u>\$ 153,532</u> | <u>\$ 6,089</u> | <u>\$ -</u> | <u>\$ 70,000</u> | <u>\$ 416,527</u> | <u>\$ 501,699</u> |
| \$1,159,152 | \$ - | \$ - | \$ - | \$1,159,152 | \$1,159,152 |
| - | - | 455,211 | - | 455,211 | 516,118 |
| 18,347 | - | - | - | 18,347 | 17,927 |
| 55,756 | - | - | - | 55,756 | 53,640 |
| 34,561 | - | - | - | 34,561 | 27,511 |
| (131,094) | - | - | - | (131,094) | (146,177) |
| - | - | - | - | 12,627 | 7,413 |
| - | - | - | - | - | 6,203 |
| - | - | - | - | 106,498 | 109,488 |
| <u>\$1,136,722</u> | <u>\$ -</u> | <u>\$ 455,211</u> | <u>\$ -</u> | <u>\$1,711,058</u> | <u>\$1,751,275</u> |
| <u>\$1,290,254</u> | <u>\$ 6,089</u> | <u>\$ 455,211</u> | <u>\$ 70,000</u> | <u>\$2,127,585</u> | <u>\$2,252,974</u> |

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

- D. Budgets and budgetary accounting - The Town follows these procedures for the budgetary data reflected in the financial statements:
1. Prior to July 1, the Mayor submits to the Town Council a proposed operating budget for the ensuing year. The operating budget includes proposed expenditures and the means of financing them.
 2. Public hearings are conducted at the Town Hall to obtain taxpayer comments.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

FIDUCIARY FUNDS

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

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. General fixed assets including buildings and other improvements are capitalized, whereas items such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost.

TOWN OF IOTA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

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

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

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

GOVERNMENTAL FUNDS

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

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

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

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

TOWN OF IOTA, LOUISIANA
DEBT SERVICE FUND

COMPARATIVE BALANCE SHEETS
June 30, 1996 and 1995

| | 1968 Public Improvement Bonds | 1993 Certificate of Indebtedness | <u>1996</u> | <u>1995</u> |
|---------------------------------------------------------------------|----------------------------------------|-------------------------------------------|------------------|------------------|
| Cash Sinking Fund | \$ - | \$ 12,627 | \$ 12,627 | \$ 7,413 |
| Investments - certificates of deposit, at cost - Reserve Fund | - | - | - | 6,701 |
| Investments - certificates of deposit, at cost - Sinking Fund | - | - | - | - |
| Accrued interest receivable | <u>-</u> | <u>-</u> | <u>-</u> | <u>2</u> |
| | <u>\$ -</u> | <u>\$ 12,627</u> | <u>\$ 12,627</u> | <u>\$ 14,116</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| LIABILITIES | | | | |
| Due to other funds | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 500</u> |
| FUND BALANCE | | | | |
| Reserved for debt retirement | \$ - | \$ 12,627 | \$ 12,627 | \$ 7,413 |
| Reserved for other purposes | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,203</u> |
| | <u>\$ -</u> | <u>\$ 12,627</u> | <u>\$ 12,627</u> | <u>\$ 13,616</u> |
| | <u>\$ -</u> | <u>\$ 12,627</u> | <u>\$ 12,627</u> | <u>\$ 14,116</u> |

TOWN OF IOTA, LOUISIANA
 STATEMENTS OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Years Ended June 30, 1996 and 1995

| | <u>1996</u> | <u>1995</u> |
|--------------------------------------------------------------------------|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating income (loss) | \$ (2,316) | \$ 4,681 |
| Adjustment to reconcile operating income to net cash used by operations: | | |
| Depreciation | 71,254 | 71,108 |
| Change in assets and liabilities: | | |
| Decrease (increase) in accounts receivable | 5,969 | (5,755) |
| Decrease (increase) in other receivables | (402) | - |
| Decrease (increase) in due from other funds | (24,168) | (17,098) |
| Decrease (increase) in inventory | 2,081 | (785) |
| Decrease (increase) in prepaid expenses | (3,833) | (2,699) |
| Increase (decrease) in accounts payable | (23,391) | 26,832 |
| Increase (decrease) in sales tax payable | 26 | (1,736) |
| Increase (decrease) in due to other funds | (2,504) | - |
| Increase (decrease) in customer deposits | <u>1,805</u> | <u>1,095</u> |
| Net cash provided by operating activities | <u>\$ 24,521</u> | <u>\$ 75,643</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Operating transfers out to other funds | \$ (20,000) | \$ (21,568) |
| Operating transfers in from other funds | <u>17,831</u> | <u>-</u> |
| Net cash provided (used) by noncapital financing activities | <u>\$ (2,169)</u> | <u>\$ (21,568)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition of capital assets | \$ (6,011) | \$ (41,107) |
| Principal paid on revenue bond maturities | (22,000) | (20,000) |
| Interest paid on revenue bonds | (5,040) | (6,300) |
| Capital contributions - sales tax | - | 21,638 |
| Recovery of engineering costs | <u>21,352</u> | <u>-</u> |
| Net cash used by capital and related financing activities | <u>\$ (11,699)</u> | <u>\$ (45,769)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investments | \$ (86,129) | \$ (68,011) |
| Proceeds from investments | 84,467 | 67,456 |
| Interest received | <u>6,997</u> | <u>5,608</u> |
| Net cash provided from investing activities | <u>\$ 5,335</u> | <u>\$ 5,053</u> |
| Net decrease in cash and cash equivalents (Subtotals forward) | <u>\$ 15,988</u> | <u>\$ 13,359</u> |

TOWN OF IOTA, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

| | <u>1996</u> | | Variance- Favorable (Unfavorable) | <u>1995</u> |
|--------------------------------|-------------------|-------------------|-----------------------------------------|-------------------|
| | <u>Budget</u> | <u>Actual</u> | | <u>Actual</u> |
| Subtotals forwarded | \$ 134,350 | \$ 154,124 | \$ (19,774) | \$ 128,567 |
| Highways and streets: | | | | |
| Salaries | \$ 18,000 | \$ 12,617 | \$ 5,383 | \$ 17,726 |
| Payroll taxes | 1,300 | 965 | 335 | 1,294 |
| Supplies and materials | 5,850 | 11,383 | (5,533) | 6,470 |
| Repairs and maintenance | 9,900 | 9,259 | 641 | 7,218 |
| Bridges and culverts | 1,200 | 1,439 | (239) | - |
| Gas, oil, and tires | 1,200 | 2,416 | (1,216) | - |
| Utilities | 13,500 | 14,230 | (730) | 13,899 |
| Insurance | 5,150 | 5,570 | (420) | 4,073 |
| Miscellaneous | 1,950 | 1,219 | 731 | 590 |
| | <u>\$ 58,050</u> | <u>\$ 59,098</u> | <u>\$ (1,048)</u> | <u>\$ 51,270</u> |
| Culture and recreation: | | | | |
| Beautification expense | \$ - | \$ - | \$ - | \$ 986 |
| Becnel Park expense | 2,100 | 4,128 | (2,028) | 2,084 |
| Recreation department expenses | 350 | - | 350 | 314 |
| | <u>\$ 2,450</u> | <u>\$ 4,128</u> | <u>\$ (1,678)</u> | <u>\$ 3,384</u> |
| Capital outlay | \$ 5,250 | \$ 1,000 | \$ 4,250 | \$ 2,701 |
| Total expenditures | <u>\$ 200,100</u> | <u>\$ 218,350</u> | <u>\$ (18,250)</u> | <u>\$ 185,922</u> |

| <u>Special Revenue Funds</u> | | | <u>Totals (Memorandum Only)</u> | | |
|------------------------------|--------------------|--------------------------------------------------|-------------------------------------|--------------------|--------------------------------------------------|
| <u>Budget</u> | <u>Actual</u> | <u>Variance- Favorable (Unfavorable)</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance- Favorable (Unfavorable)</u> |
| \$ 84,500 | \$ 104,246 | \$ 19,746 | \$ 176,500 | \$ 192,210 | \$ 15,710 |
| - | - | - | 28,450 | 33,747 | 5,297 |
| - | - | - | 18,100 | 32,908 | 14,808 |
| - | - | - | 4,100 | 4,114 | 14 |
| - | - | - | 4,200 | 2,834 | (1,366) |
| 2,650 | 874 | (1,776) | 21,700 | 6,931 | (14,769) |
| <u>\$ 87,150</u> | <u>\$ 105,120</u> | <u>\$ 17,970</u> | <u>\$ 253,050</u> | <u>\$ 272,744</u> | <u>\$ 19,694</u> |
| \$ 33,900 | \$ 12,409 | \$ 21,491 | \$ 81,260 | \$ 49,811 | \$ 31,449 |
| - | - | - | 86,990 | 116,722 | (29,732) |
| 10,000 | 3,662 | 6,338 | 68,050 | 62,760 | 5,290 |
| - | - | - | 2,450 | 4,128 | (1,678) |
| 10,000 | 15,951 | (5,951) | 15,250 | 16,951 | (1,701) |
| 450 | 1,883 | (1,433) | 450 | 1,883 | (1,433) |
| 150 | 620 | (470) | 150 | 620 | (470) |
| <u>\$ 54,500</u> | <u>\$ 34,525</u> | <u>\$ 19,975</u> | <u>\$ 254,600</u> | <u>\$ 252,875</u> | <u>\$ 1,725</u> |
| <u>\$ 32,650</u> | <u>\$ 70,595</u> | <u>\$ 37,945</u> | <u>\$ (1,550)</u> | <u>\$ 19,869</u> | <u>\$ 21,419</u> |
| \$ (35,000) | \$ (26,838) | \$ 8,162 | \$ (45,800) | \$ (42,859) | \$ 2,941 |
| 5,000 | - | (5,000) | 40,000 | 20,000 | (20,000) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ (30,000)</u> | <u>\$ (26,838)</u> | <u>\$ 3,162</u> | <u>\$ (5,800)</u> | <u>\$ (22,859)</u> | <u>\$ (17,059)</u> |
| \$ 2,650 | \$ 43,757 | \$ 41,107 | \$ (7,350) | \$ (2,990) | \$ 4,360 |
| 179,667 | 179,667 | - | 189,390 | 189,390 | - |
| <u>\$ 182,317</u> | <u>\$ 223,424</u> | <u>\$ 41,107</u> | <u>\$ 182,040</u> | <u>\$ 186,400</u> | <u>\$ 4,360</u> |

TOWN OF IOTA, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL AND
SPECIAL REVENUE FUND TYPES
Year Ended June 30, 1996

| | <u>General Fund</u> | | |
|----------------------------------------------------------------------------------------------------|---------------------|--------------------|-----------------------------------------|
| | <u>Budget</u> | <u>Actual</u> | Variance- Favorable (Unfavorable) |
| Revenues: | | | |
| Taxes | \$ 92,000 | \$ 87,964 | \$ (4,036) |
| Licenses and permits | 28,450 | 33,747 | 5,297 |
| Intergovernmental revenues | 18,100 | 32,908 | 14,808 |
| Charges for services | 4,100 | 4,114 | 14 |
| Fines and forfeits | 4,200 | 2,834 | (1,366) |
| Miscellaneous | 19,050 | 6,057 | (12,993) |
| | <u>\$ 165,900</u> | <u>\$ 167,624</u> | <u>\$ 1,724</u> |
| Expenditures: | | | |
| Current operating: | | | |
| General government | \$ 47,360 | \$ 37,402 | \$ 9,958 |
| Public safety | 86,990 | 116,722 | (29,732) |
| Highways and streets | 58,050 | 59,098 | (1,048) |
| Culture and recreation | 2,450 | 4,128 | (1,678) |
| Capital outlay | 5,250 | 1,000 | 4,250 |
| Debt Service: | | | |
| Principal retirement | - | - | - |
| Interest and fiscal charges | - | - | - |
| | <u>\$ 200,100</u> | <u>\$ 218,350</u> | <u>\$ (18,250)</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (34,200)</u> | <u>\$ (50,726)</u> | <u>\$ (16,526)</u> |
| Other financing sources (uses): | | | |
| Transfers to other funds | \$ (10,800) | \$ (16,021) | \$ (5,221) |
| Transfers from other funds | 35,000 | 20,000 | (15,000) |
| Proceeds from capital lease financing | - | - | - |
| Proceeds from issuance of long-term debt | - | - | - |
| Total other financing sources (uses) | <u>\$ 24,200</u> | <u>\$ 3,979</u> | <u>\$ (20,221)</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | <u>\$ (10,000)</u> | <u>\$ (46,747)</u> | <u>\$ (36,747)</u> |
| Fund balances - beginning of year | <u>9,723</u> | <u>9,723</u> | <u>-</u> |
| Fund balances - end of year | <u>\$ (277)</u> | <u>\$ (37,024)</u> | <u>\$ (36,747)</u> |

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

3. The budget is legally enacted through passage of a resolution.
4. Budgets for the General, Special Revenue, and Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The budget is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Enterprise Fund.

All Budget appropriations lapse at year end. Expenditures may not legally exceed budgeted appropriations at the fund type level. The Town's expenditures exceeded budgeted appropriations by 9% in the General Fund and 9% in the Utility Fund.

- E. Investments - Investments are stated at cost or amortized cost, which approximates market.
- F. Inventory - Inventory is valued at the lower of cost (first-in, first-out) or market.
- G. Bad debts - Uncollectible amounts due from customers' utility receivables are recognized as bad debts by use of the direct write-off method at the time information becomes available which would indicate the uncollectibility of the particular receivable.
- H. Cash and cash equivalents - For purposes of reporting cash flows, the Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- I. Total columns on Combined Statements - Overview - Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.
- J. Comparative data - Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

TOWN OF IOTA, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1996

| | <u>General</u> |
|----------------------------------------------------------------------------------------------|--------------------|
| Revenues: | |
| Taxes | \$ 87,964 |
| Licenses and permits | 33,747 |
| Intergovernmental revenues | 32,908 |
| Charges for services | 4,114 |
| Fines and forfeits | 2,834 |
| Miscellaneous | 6,057 |
| | <u>\$ 167,624</u> |
| Expenditures: | |
| Current operating: | |
| General government | \$ 37,402 |
| Public safety | 116,722 |
| Highways and streets | 59,098 |
| Culture and recreation | 4,128 |
| Capital outlay | 1,000 |
| Debt service: | |
| Principal retirement | - |
| Interest and fiscal charges | - |
| | <u>\$ 218,350</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (50,726)</u> |
| Other financing sources (uses): | |
| Transfers to other funds | \$ (16,021) |
| Transfers from other funds | 20,000 |
| Proceeds from capital lease financing | - |
| Proceeds from issuance of long-term debt | - |
| Total other financing sources (uses) | <u>\$ 3,979</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other uses | <u>\$ (46,747)</u> |
| Fund balances - beginning of year | 9,723 |
| Residual equity transfer out | <u>-</u> |
| Fund balances - end of year | <u>\$ (37,024)</u> |

See Notes to Financial Statements.

TOWN OF IOTA, LOUISIANA
 STATEMENTS OF CASH FLOWS
 PROPRIETARY FUND TYPE (CONTINUED)
 Years Ended June 30, 1996 and 1995

| | <u>1996</u> | <u>1995</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Net decrease in cash and cash equivalents (Subtotals forwarded) | \$ 15,988 | \$ 13,359 |
| Cash and cash equivalents, beginning of year (Including \$119,930 and \$115,208 in restricted cash as of July 1, 1995 and 1994, respectively) | <u>163,978</u> | <u>150,619</u> |
| Cash and cash equivalents, end of year (Including \$124,704 and \$119,930 in restricted cash as of June 30, 1996 and 1995, respectively) | <u>\$ 179,966</u> | <u>\$ 163,978</u> |

See Notes to Financial Statements.

TOWN OF IOTA, LOUISIANA

COMBINED BALANCE SHEET - (CONTINUED)
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1996

| LIABILITIES | Governmental Fund Types | | | |
|------------------------------------------|-------------------------|-------------------|------------------|--------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| Accounts payable | \$ 9,519 | \$ 4,095 | \$ - | \$ - |
| Sales tax payable | - | - | - | - |
| Other payables | - | - | - | - |
| Payable from restricted assets: | | | | |
| Revenue bonds | - | - | - | - |
| Accrued interest | - | - | - | - |
| Customers' deposits | - | - | - | - |
| Due to other funds | 93,323 | - | - | 79,969 |
| General obligation bonds payable | - | - | - | - |
| Revenue bonds payable | - | - | - | - |
| Installment purchases payable | - | - | - | - |
| Total liabilities | \$ 102,842 | \$ 4,095 | \$ - | \$ 79,969 |
| FUND EQUITY | | | | |
| Contributed capital | \$ - | \$ - | \$ - | \$ - |
| Investment in general fixed assets | - | - | - | - |
| Retained earnings: | | | | |
| Reserved for revenue bond retirement | - | - | - | - |
| Reserved for revenue bond contingency | - | - | - | - |
| Reserved for sewer improvements | - | - | - | - |
| Unreserved | - | - | - | - |
| Fund balance: | | | | |
| Reserved for debt service | - | - | 12,627 | - |
| Reserved for various public improvements | - | - | - | - |
| Unreserved - undesignated | (37,024) | 223,424 | - | (79,902) |
| Total fund equity | \$ (37,024) | \$ 223,424 | \$ 12,627 | \$ (79,902) |
| | \$ 65,818 | \$ 227,519 | \$ 12,627 | \$ 67 |

See Notes to Financial Statements.

Exhibit A

| <u>Proprietary Fund Type</u> | <u>Fiduciary Fund Type</u> | <u>Account Groups</u> | | <u>Totals (Memorandum Only)</u> | |
|----------------------------------|--------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|--------------------|
| | | <u>General Fixed Assets</u> | <u>General Long-Term Debt</u> | <u>1996</u> | <u>1995</u> |
| <u>Enterprise</u> | <u>Agency</u> | | | | |
| \$ 55,262 | \$ 6,089 | \$ - | \$ - | \$ 206,057 | \$ 163,073 |
| - | - | - | - | 16,325 | 22,220 |
| 48,482 | - | - | - | 61,645 | 54,451 |
| 195 | - | - | - | 204 | 170 |
| 402 | - | - | - | 8,275 | 88,856 |
| 87,930 | - | - | - | 211,885 | 182,866 |
| 8,504 | - | - | - | 8,504 | 10,585 |
| 8,751 | - | - | - | 8,751 | 4,918 |
| 124,704 | - | - | - | 124,704 | 119,930 |
| 42,646 | - | - | - | 42,646 | 34,283 |
| 913,378 | - | 455,211 | - | 1,368,589 | 1,494,739 |
| - | - | - | 12,627 | 12,627 | 7,413 |
| - | - | - | (12,627) | (12,627) | (7,413) |
| - | - | - | 70,000 | 70,000 | 76,883 |
| <u>\$1,290,254</u> | <u>\$ 6,089</u> | <u>\$455,211</u> | <u>\$ 70,000</u> | <u>\$2,127,585</u> | <u>\$2,252,974</u> |

(Continued)

TOWN OF IOTA, LOUISIANA

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1996

| ASSETS | <u>Governmental Fund Types</u> | | | |
|----------------------------------------------------------------|--------------------------------|------------------------|---------------------|-------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> |
| Cash | \$ 50,424 | \$ 81,588 | \$ 12,627 | \$ 67 |
| Investments, at cost | - | 16,325 | - | - |
| Receivables: | | | | |
| Accounts | 13,163 | - | - | - |
| Accrued interest | - | 9 | - | - |
| Other | - | 7,873 | - | - |
| Due from other funds | 2,231 | 121,724 | - | - |
| Inventories, at cost | - | - | - | - |
| Prepaid expenses | - | - | - | - |
| Restricted assets: | | | | |
| Cash and cash equivalents | - | - | - | - |
| Investments, at cost | - | - | - | - |
| Fixed assets (net of accumulated depreciation) | - | - | - | - |
| Amount available in debt service funds | - | - | - | - |
| Amount available in debt service funds for other purposes | - | - | - | - |
| Amount to be provided for retirement of general long-term debt | - | - | - | - |
| | <u>\$ 65,818</u> | <u>\$227,519</u> | <u>\$ 12,627</u> | <u>\$ 67</u> |

See Notes to Financial Statements.

GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)

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

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

In accordance with Government Auditing Standards, we have also issued a report dated October 21, 1996 on our consideration of the Town of Iota's internal control structure and a report dated October 21, 1996 on its compliance with laws and regulations.

Broussard, Poché, Lewis & Breaux

Crowley, Louisiana
October 21, 1996



BROUSSARD, POCHE', LEWIS & BREAUX
CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.
P.O. Drawer 307
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70527-0307
phone: (318) 783-0650
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INDEPENDENT AUDITOR'S REPORT

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

Other Offices:

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(318) 988-4930

Opelousas, LA
(318) 942-5217

Abbeville, LA
(318) 898-1497

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Church Point, LA
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(318) 457-0071

Harry G. Broussard, CPA*
Lawrence A. Gramer, CPA*
Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemoine II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Balineaux, CPA*
Peter C. Borrello, CPA*
Michael P. Grochet, CPA*
George J. Trappey III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Suleau, CPA*

Karl G. Guidry, CPA*

Retired:

Sidney L. Broussard, CPA 1980
Leon K. Poché, CPA 1981
James H. Breaux, CPA 1987
Erna R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberley, CPA* 1995
Rodney L. Savoy, CPA* 1996

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

We have audited the accompanying general purpose financial statements of the Town of Iota, Louisiana as of and for the year ended June 30, 1996, as listed in the table of contents. These financial statements are the responsibility of the management of the Town of Iota. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Government." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Iota at June 30, 1996, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Federal Financial Assistance and additional 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 financial statements of the Town of Iota. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

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TOWN OF IOTA, LOUISIANA
FINANCIAL REPORT
JUNE 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

FEB 12 1997

Release Date _____

| <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Totals (Memorandum Only)</u> | |
|----------------------------|-------------------------|-----------------------------|-------------------------------------|--------------------|
| | | | <u>1996</u> | <u>1995</u> |
| \$ 104,246 | \$ - | \$ - | \$ 192,210 | \$ 167,624 |
| - | - | - | 33,747 | 28,511 |
| - | - | 218,829 | 251,737 | 104,269 |
| - | - | - | 4,114 | 2,359 |
| - | - | - | 2,834 | 2,588 |
| 874 | - | - | 6,931 | 14,948 |
| <u>\$ 105,120</u> | <u>\$ -</u> | <u>\$ 218,829</u> | <u>\$ 491,573</u> | <u>\$ 320,299</u> |
| | | | | |
| \$ 12,409 | \$ - | \$ - | \$ 49,811 | \$ 61,907 |
| - | - | - | 116,722 | 87,107 |
| 3,662 | - | - | 62,760 | 57,385 |
| - | - | - | 4,128 | 3,384 |
| 15,951 | - | 227,857 | 244,808 | 135,865 |
| 1,883 | 5,000 | - | 6,883 | 5,251 |
| 620 | 4,786 | - | 5,406 | 5,223 |
| <u>\$ 34,525</u> | <u>\$ 9,786</u> | <u>\$ 227,857</u> | <u>\$ 490,518</u> | <u>\$ 356,122</u> |
| | | | | |
| <u>\$ 70,595</u> | <u>\$ (9,786)</u> | <u>\$ (9,028)</u> | <u>\$ 1,055</u> | <u>\$ (35,823)</u> |
| | | | | |
| \$ (26,838) | \$ - | \$ - | \$ (42,859) | \$ (57,611) |
| - | 15,000 | 9,028 | 44,028 | 78,179 |
| - | - | - | - | 1,883 |
| - | - | - | - | - |
| <u>\$ (26,838)</u> | <u>\$ 15,000</u> | <u>\$ 9,028</u> | <u>\$ 1,169</u> | <u>\$ 22,451</u> |
| | | | | |
| \$ 43,757 | \$ 5,214 | \$ - | \$ 2,224 | \$ (13,372) |
| 179,667 | 13,616 | (33) | 202,973 | 216,345 |
| - | (6,203) | - | (6,203) | - |
| <u>\$ 223,424</u> | <u>\$ 12,627</u> | <u>\$ (33)</u> | <u>\$ 198,994</u> | <u>\$ 202,973</u> |

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DEBT SERVICE FUNDS

1968 PUBLIC IMPROVEMENT BONDS - to accumulate monies for payment of the 1968 \$130,000
6% Public Improvement Bonds.

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

TOWN OF IOTA, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

| | 1996 | | | 1995 |
|---------------------------------------------------------------------------------------------|-------------------|-------------------|-----------------------------------------|-------------------|
| | <u>Budget</u> | <u>Actual</u> | Variance- Favorable (Unfavorable) | <u>Actual</u> |
| Excess of revenues over expenditures (forwarded) | \$ 32,650 | \$ 70,595 | \$ 37,945 | \$ 35,446 |
| Other sources (uses): | | | | |
| Transfers to other funds | \$(35,000) | \$(26,838) | \$ 8,162 | \$(37,508) |
| Transfers from other funds | 5,000 | - | (5,000) | - |
| Proceeds from capital lease financing | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,883</u> |
| Total other financing sources (uses) | <u>\$(30,000)</u> | <u>\$(26,838)</u> | <u>\$ 3,162</u> | <u>\$(35,625)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | \$ 2,650 | \$ 43,757 | \$ 41,107 | \$ (179) |
| Fund balance - beginning of year | <u>179,667</u> | <u>179,667</u> | <u>-</u> | <u>179,846</u> |
| Fund balance - end of year | <u>\$182,317</u> | <u>\$223,424</u> | <u>\$ 41,107</u> | <u>\$179,667</u> |

TOWN OF IOTA, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

| | <u>1996</u> | | | <u>1995</u> |
|-------------------------------------------------------------|------------------|------------------|-----------------------------------------|------------------|
| | <u>Budget</u> | <u>Actual</u> | Variance- Favorable (Unfavorable) | <u>Actual</u> |
| Revenues: | | | | |
| Taxes: | | | | |
| Sales tax | \$ 84,500 | \$104,246 | \$ 19,746 | \$ 92,147 |
| Miscellaneous revenue: | | | | |
| Interest income | 1,650 | 874 | (776) | 874 |
| Miscellaneous revenue | <u>1,000</u> | <u>-</u> | <u>(1,000)</u> | <u>-</u> |
| Total revenues | <u>\$ 87,150</u> | <u>\$105,120</u> | <u>\$ 17,970</u> | <u>\$ 93,021</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Engineering and consulting | \$ 11,500 | \$ 2,603 | \$ 8,897 | \$ - |
| Collection fees | 1,350 | 1,564 | (214) | 1,381 |
| Equipment rental | 7,800 | - | 7,800 | - |
| Printing, stationery and supplies | 2,150 | 1,897 | 253 | 2,788 |
| Repairs and maintenance | 1,500 | 105 | 1,395 | 2,357 |
| Miscellaneous | <u>9,600</u> | <u>6,240</u> | <u>3,360</u> | <u>13,921</u> |
| | <u>\$ 33,900</u> | <u>\$ 12,409</u> | <u>\$ 21,491</u> | <u>\$ 20,447</u> |
| Highways and streets: | | | | |
| Repairs | <u>\$ 10,000</u> | <u>\$ 3,662</u> | <u>\$ 6,338</u> | <u>\$ 6,115</u> |
| Capital outlay | <u>\$ 10,000</u> | <u>\$ 15,951</u> | <u>\$ (5,951)</u> | <u>\$ 30,740</u> |
| Debt service: | | | | |
| Principal retirement | \$ 450 | \$ 1,883 | \$ (1,433) | \$ 251 |
| Interest and fiscal charges | <u>150</u> | <u>620</u> | <u>(470)</u> | <u>22</u> |
| | <u>\$ 600</u> | <u>\$ 2,503</u> | <u>\$ (1,903)</u> | <u>\$ 273</u> |
| Total expenditures | <u>\$ 54,500</u> | <u>\$ 34,525</u> | <u>\$ 19,975</u> | <u>\$ 57,575</u> |
| Excess of revenues over expenditures (totals forward) | <u>\$ 32,650</u> | <u>\$ 70,595</u> | <u>\$ 37,945</u> | <u>\$ 35,446</u> |

TOWN OF IOTA, LOUISIANA

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
Years Ended June 30, 1996 and 1995

| | Combined <u>Utilities Fund</u> | |
|----------------------------------------------------|-----------------------------------|--------------------|
| | <u>1996</u> | <u>1995</u> |
| Operating revenues: | | |
| Charges for services | \$ 475,295 | \$ 438,778 |
| Miscellaneous | <u>2,740</u> | <u>2,777</u> |
| | <u>\$ 478,035</u> | <u>\$ 441,555</u> |
| Operating expenses: | | |
| Personal services | \$ 125,726 | \$ 116,435 |
| Fuel purchased | 94,095 | 66,506 |
| Supplies and materials | 65,295 | 66,658 |
| Heat, light and power | 18,042 | 19,253 |
| Depreciation | 71,254 | 71,108 |
| Benefit payments | 9,644 | 8,908 |
| Other | <u>96,295</u> | <u>88,006</u> |
| | <u>\$ 480,351</u> | <u>\$ 436,874</u> |
| Operating income (loss) | <u>\$ (2,316)</u> | <u>\$ 4,681</u> |
| Non-operating revenue (expenses): | | |
| Interest income | \$ 7,028 | \$ 5,495 |
| Interest expense | (5,429) | (5,306) |
| Gain (loss) on disposal of assets | - | (32,534) |
| Recovery of engineering fees | <u>21,352</u> | <u>-</u> |
| | <u>\$ 22,951</u> | <u>\$ (32,345)</u> |
| Income (loss) before operating interfund transfers | <u>\$ 20,635</u> | <u>\$ (27,664)</u> |
| Operating interfund transfers: | | |
| Operating transfers in | \$ 17,831 | \$ - |
| Operating transfers out | <u>(20,000)</u> | <u>(21,568)</u> |
| Total operating interfund transfers | <u>\$ (2,169)</u> | <u>\$ (21,568)</u> |
| Net income (loss) | \$ 18,466 | \$ (49,232) |
| Retained earnings - beginning of year | (47,099) | 2,133 |
| Residual equity transfers in | <u>6,203</u> | <u>-</u> |
| Retained earnings - end of year | <u>\$ (22,430)</u> | <u>\$ (47,099)</u> |

See Notes to Financial Statements.

SPECIAL REVENUE FUND

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

NOTES TO FINANCIAL STATEMENTS

Note 2. Property Taxes

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

The Town levies taxes at 27 mills on the dollar of assessed valuation of property. For the year ended June 30, 1996, the assessed valuation of property amounted to \$1,570,660. Taxes levied are dedicated to general corporate purposes, street maintenance, public drainage, and bridges.

Note 3. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

| | Balance July 1, <u>1995</u> | <u>Additions</u> | <u>Deletions</u> | Balance June 30, <u>1996</u> |
|--------------------------------------|-----------------------------------|------------------|------------------|------------------------------------|
| Land | \$ 31,847 | \$ - | \$ - | \$ 31,847 |
| Building and improvements | 72,027 | - | - | 72,027 |
| Improvements other than buildings | 204,034 | - | - | 204,034 |
| Equipment | <u>208,210</u> | <u>22,335</u> | <u>83,242</u> | <u>147,303</u> |
| | <u>\$516,118</u> | <u>\$ 22,335</u> | <u>\$ 83,242</u> | <u>\$455,211</u> |

A summary of proprietary fund type property, plant, and equipment at June 30, 1996 follows:

| | <u>Enterprise</u> |
|------------------------------------------------------|-------------------|
| Land | \$ 25,125 |
| Buildings | 25,672 |
| Distribution systems | 624,973 |
| Equipment | 40,121 |
| Water treatment | 1,020,280 |
| Construction in process - wastewater treatment plant | <u>85,409</u> |
| Total | \$1,821,580 |
| Less accumulated depreciation | <u>908,202</u> |
| Net | <u>\$ 913,378</u> |

TOWN OF IOTA, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

| | <u>1996</u> | | | <u>1995</u> |
|---------------------------|------------------|------------------|------------------------------------------|------------------|
| | <u>Budget</u> | <u>Actual</u> | Variance - Favorable (Unfavorable) | <u>Actual</u> |
| General government: | | | | |
| Salaries | \$ 11,700 | \$ 11,700 | \$ - | \$ 11,575 |
| Payroll taxes | 850 | 865 | (15) | 1,238 |
| Auditing | 6,200 | 3,508 | 2,692 | 5,643 |
| Contract labor | 3,000 | - | 3,000 | - |
| Office supplies | 200 | - | 200 | 160 |
| Postage and telephone | 3,710 | 2,583 | 1,127 | 2,996 |
| Insurance | 5,350 | 6,840 | (1,490) | 5,271 |
| Utilities | 3,000 | 3,491 | (491) | 2,712 |
| Miscellaneous | 10,650 | 8,345 | 2,305 | 9,465 |
| Repairs - Headstart | <u>2,700</u> | <u>70</u> | <u>2,630</u> | <u>2,400</u> |
| | <u>\$ 47,360</u> | <u>\$ 37,402</u> | <u>\$ 9,958</u> | <u>\$ 41,460</u> |
| Public safety: | | | | |
| Police salaries | \$ 43,000 | \$ 53,148 | \$(10,148) | \$ 41,857 |
| Payroll taxes | 3,800 | 4,066 | (266) | 3,244 |
| Auto | 10,000 | 9,802 | 198 | 11,685 |
| Telephone | 1,000 | 1,800 | (800) | 1,040 |
| Miscellaneous | 5,690 | 2,424 | 3,266 | 1,700 |
| Supplies | 1,200 | 1,313 | (113) | 1,385 |
| Fire department expenses | 7,700 | 17,498 | (9,798) | 9,915 |
| Insurance | 13,200 | 20,460 | (7,260) | 15,276 |
| Police auxiliary expenses | 1,400 | 643 | 757 | 1,005 |
| Transfer to fire district | - | 5,568 | (5,568) | - |
| | <u>\$ 86,990</u> | <u>\$116,722</u> | <u>\$(29,732)</u> | <u>\$ 87,107</u> |
| Subtotals forward | <u>\$134,350</u> | <u>\$154,124</u> | <u>\$(19,774)</u> | <u>\$128,567</u> |

TOWN OF IOTA, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

| | 1996 | | Variance- Favorable (Unfavorable) | 1995 |
|-------------------------------------------------------------------|--------------------|--------------------|-----------------------------------------|--------------------|
| | <u>Budget</u> | <u>Actual</u> | | <u>Actual</u> |
| Total revenues forwarded | \$ <u>146,850</u> | \$ <u>161,567</u> | \$ <u>14,717</u> | \$ <u>141,237</u> |
| Miscellaneous revenue: | | | | |
| Interest income | \$ 3,250 | \$ 886 | \$ (2,364) | \$ 1,188 |
| Rent income - Headstart | 6,700 | 339 | (6,361) | 6,000 |
| Oil and gas lease | - | 3,000 | 3,000 | - |
| Gain on sale of assets | - | 200 | 200 | 300 |
| Other | 9,100 | 1,632 | (7,468) | 6,361 |
| | \$ <u>19,050</u> | \$ <u>6,057</u> | \$ <u>(12,993)</u> | \$ <u>13,849</u> |
| Total revenues | \$ <u>165,900</u> | \$ <u>167,624</u> | \$ <u>1,724</u> | \$ <u>155,086</u> |
| Expenditures: | | | | |
| Current operating: | | | | |
| General government | \$ 47,360 | \$ 37,402 | \$ 9,958 | \$ 41,460 |
| Public safety | 86,990 | 116,722 | (29,732) | 87,107 |
| Highways and streets | 58,050 | 59,098 | (1,048) | 51,270 |
| Culture and recreation | 2,450 | 4,128 | (1,678) | 3,384 |
| Capital outlay | 5,250 | 1,000 | 4,250 | 2,701 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | \$ <u>200,100</u> | \$ <u>218,350</u> | \$ <u>(18,250)</u> | \$ <u>185,922</u> |
| (Deficiency) of revenues over expenditures (totals forward) | \$ <u>(34,200)</u> | \$ <u>(50,726)</u> | \$ <u>(16,526)</u> | \$ <u>(30,836)</u> |

TOWN OF IOTA, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1996

With Comparative Actual Amounts for Year Ended June 30, 1995

| | <u>1996</u> | | | <u>1995</u> |
|----------------------------|------------------|------------------|-----------------------------------------|------------------|
| | <u>Budget</u> | <u>Actual</u> | Variance- Favorable (Unfavorable) | <u>Actual</u> |
| Revenues: | | | | |
| Taxes: | | | | |
| Ad valorem taxes | \$ 39,000 | \$ 42,408 | \$ 3,408 | \$ 26,115 |
| Electric franchise tax | 40,000 | 40,681 | 681 | 37,207 |
| Telephone tax | 3,800 | 3,725 | (75) | 3,601 |
| 2% Fire insurance tax | 6,700 | - | (6,700) | 7,349 |
| Cable TV franchise | 2,500 | 1,150 | (1,350) | 1,205 |
| | <u>\$ 92,000</u> | <u>\$ 87,964</u> | <u>\$ (4,036)</u> | <u>\$ 75,477</u> |
| Licenses and permits: | | | | |
| Occupational licenses | \$ 11,500 | \$ 11,612 | \$ 112 | \$ 11,356 |
| Insurance licenses | 16,000 | 21,060 | 5,060 | 16,615 |
| Liquor licenses | 500 | 600 | 100 | 100 |
| Building permits | 450 | 475 | 25 | 440 |
| | <u>\$ 28,450</u> | <u>\$ 33,747</u> | <u>\$ 5,297</u> | <u>\$ 28,511</u> |
| Intergovernmental revenue: | | | | |
| Beer tax | \$ 3,100 | \$ 3,324 | \$ 224 | \$ 2,835 |
| Tobacco tax | 6,600 | 6,534 | (66) | 6,545 |
| Gaming commissions | 8,400 | 11,397 | 2,997 | 11,322 |
| Rural development grant | - | - | - | 10,000 |
| Police grant | - | 11,653 | 11,653 | 1,600 |
| | <u>\$ 18,100</u> | <u>\$ 32,908</u> | <u>\$ 14,808</u> | <u>\$ 32,302</u> |
| Charges for services: | | | | |
| Court cost | \$ 4,100 | \$ 4,114 | \$ 14 | \$ 2,359 |
| Fines and forfeits: | | | | |
| Fines | \$ 4,000 | \$ 2,641 | \$ (1,359) | \$ 2,458 |
| Interest and penalties | 200 | 193 | (7) | 130 |
| | <u>\$ 4,200</u> | <u>\$ 2,834</u> | <u>\$ (1,366)</u> | <u>\$ 2,588</u> |
| Total revenues (forward) | <u>\$146,850</u> | <u>\$161,567</u> | <u>\$ 14,717</u> | <u>\$141,237</u> |

TOWN OF IOTA, LOUISIANA
GENERAL FUND

COMPARATIVE BALANCE SHEET
June 30, 1996 and 1995

| ASSETS | <u>1996</u> | <u>1995</u> |
|------------------------------|------------------|------------------|
| Cash | \$ 50,424 | \$ 62,475 |
| Accounts receivable | 13,163 | 9,946 |
| Due from other funds | <u>2,231</u> | <u>2,128</u> |
| | <u>\$ 65,818</u> | <u>\$ 74,549</u> |
| LIABILITIES AND FUND BALANCE | | |
| LIABILITIES | | |
| Accounts payable | \$ 9,519 | \$ 3,094 |
| Due to other funds | <u>93,323</u> | <u>61,732</u> |
| | \$102,842 | \$ 64,826 |
| FUND BALANCE | <u>(37,024)</u> | <u>9,723</u> |
| | <u>\$ 65,818</u> | <u>\$ 74,549</u> |

NOTES TO FINANCIAL STATEMENTS

Note 11. Federal Financial Assistance

The Town had applied for federal assistance through the U.S. Department of Agriculture Farmers Home Administration under the Community Facilities Loan Program. As of November 1993, the funding to the Town had been approved and consisted of both grant and loan monies. These monies are earmarked for improvements to the sewer system. Funds associated with the improvements to the sewer system consisted of issuance of the Town's bonds in the principal amount of \$603,000 supplemented by a grant in an amount not to exceed \$484,000. As of June 30, 1996 the Town had still not issued the bonds or received any of the grant money.

The Town had applied for assistance from the Louisiana Community Development Block Grant Program for improvements to streets within the Town. As of September 7, 1994, the Town was approved for an amount of \$314,828 by the Office of Community Development. These funds are to be used for their intended purpose only. As of June 30, 1996, this grant was conditionally closed out by the Office of Community Development contingent upon receipt of acceptable audits. As of June 30, 1996, total receipts and expenditures associated with this grant amounted to \$290,796, of which \$218,829 was recognized as revenue and expenditures in this fiscal year.

The Town had applied for federal assistance via the COPS FAST Award from the U.S. Department of Justice and was subsequently approved with the total award amount being \$27,288 beginning March 1, 1995 and ending February 28, 1998. The purpose of this grant is to reimburse the Town for costs associated with hiring one new entry level police officer. During the year ended June 30, 1996, the Town recognized as revenue and expenditures \$11,653.

Note 12. Contingencies

As of June 30, 1996, the Town of Iota had a dispute over the accuracy of engineering fees charged for work performed on their proposal for construction of a new water plant. This proposal was previously defeated in a public election by Town citizens. It is the position of the Town that since the proposition put before the voters to issue bonds for the project failed, that the amounts billed are in error. In the fiscal year ended June 30, 1996, the Town showed these as a recovery of engineering fees within the utility fund, which amounted to \$21,352.

Note 13. Risk Management

The Town of Iota is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town participates in a risk management pool with other municipalities and carries commercial insurance.

TOWN OF IOTA, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND

COMPARATIVE BALANCE SHEET
June 30, 1996 and 1995

| ASSETS | <u>1996</u> | <u>1995</u> |
|------------------------------|------------------|------------------|
| Cash | \$ 81,588 | \$ 43,369 |
| Investments, at cost | 16,325 | 15,519 |
| Accounts receivable | 7,873 | 6,943 |
| Accrued interest receivable | 9 | 4 |
| Due from other funds | <u>121,724</u> | <u>116,478</u> |
| | <u>\$227,519</u> | <u>\$182,313</u> |
| LIABILITIES AND FUND BALANCE | | |
| LIABILITIES | | |
| Accounts payable | \$ 4,095 | \$ 2,646 |
| FUND BALANCE | <u>223,424</u> | <u>179,667</u> |
| | <u>\$227,519</u> | <u>\$182,313</u> |

GENERAL FUND

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

NOTES TO FINANCIAL STATEMENTS

\$12,627 is available in the Debt Service Fund to service the general obligation bonds.

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions with regards to both the Revenue and the General Obligation Bonds.

The town purchased a copier machine for use at City Hall under a three year lease. Upon expiration of the lease, the ownership may be transferred to the Town. During fiscal year ended June 30, 1996, the Town paid out this lease in total. Consequently, future minimum lease payments associated with this capital lease commitment as of June 30, 1996 were zero.

Note 5. Operating Lease

The Town is committed under a five year lease for one 580 SK loader backhoe. This lease is considered for accounting purposes to be an operating lease. Lease expenditures for the years ended June 30, 1996 and 1995 amounted to \$7,830. Future minimum lease payments under this lease are as follows:

| | |
|------|------------------|
| 1997 | \$ 7,830 |
| 1998 | <u>7,830</u> |
| | <u>\$ 15,660</u> |

Note 6. Individual Fund Interfund Receivable and Payable Balances

The individual fund interfund receivable and payable balances at June 30, 1996 were as follows:

| | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|--------------------|----------------------------------|-------------------------------|
| Enterprise fund: | | |
| Combined Utilities | \$ 87,930 | \$ 33,695 |
| Agency fund: | | |
| Payroll | - | 4,898 |
| General fund | 2,231 | 93,323 |
| Special revenue: | | |
| Sales tax fund | 121,724 | - |
| Capital projects | <u>-</u> | <u>79,969</u> |
| | <u>\$211,885</u> | <u>\$211,885</u> |

NOTES TO FINANCIAL STATEMENTS

Note 9. Deposits and Investments

For reporting purposes, deposits include cash and certificates of deposit. The Town may invest in United States bonds, treasury notes, or certificates, or time certificates of deposit of state banks having their principal office in the State of Louisiana, or any other federally insured investment. The Town may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. The deposits at June 30, 1996 were secured as follows:

| | <u>Bank Balance</u> | <u>FDIC Insurance</u> | <u>Balance Uninsured</u> |
|-----------------------------------------------------------------------------------------------|-------------------------|---------------------------|------------------------------|
| Checking | \$229,854 | \$100,000 | \$129,854 |
| Nonchecking | <u>58,970</u> | <u>58,970</u> | <u>-</u> |
| Total | <u>\$288,824</u> | <u>\$158,970</u> | \$129,854 |
| Securities pledged and held by the custodial bank in the name of the Bank (Category II) | | | <u>126,563</u> |
| Deficiency of FDIC insurance plus pledged securities under cash and cash equivalents | | | <u>\$ 3,291</u> |

Note 10. Deficit Fund Balance and Retained Earnings of Individual Funds

The Utility Capital Project Fund has a deficit fund balance of \$79,869 as of June 30, 1996. This will be cleared out with the grant monies mentioned in Note 11.

The combined utility fund has a deficit retained earnings balance of \$22,430. This deficit retained earnings balance is primarily due to depreciation expense taken each year. Management policy is to reduce this deficit retained earnings through annual net income of this utility fund.

The general fund has a deficit fund balance of \$37,024. Management policy is to eliminate this deficit fund balance through appropriations from other funds and the general revenues of the Town.

NOTES TO FINANCIAL STATEMENTS

Note 4. Changes in Long-Term Debt

The following is a summary of bond transactions of the Town for the year ended June 30, 1996.

| | <u>Revenue</u> | <u>Series 1993 General Obligation</u> | <u>Total</u> |
|--------------------------------|------------------|-----------------------------------------------|------------------|
| Bonds payable at June 30, 1995 | \$ 95,000 | \$ 75,000 | \$170,000 |
| Bonds issued | - | - | - |
| Bonds retired | <u>22,000</u> | <u>5,000</u> | <u>27,000</u> |
| Bonds payable at June 30, 1996 | <u>\$ 73,000</u> | <u>\$ 70,000</u> | <u>\$143,000</u> |

Bonds payable at June 30, 1996 are comprised of the following individual issues.

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

| | |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------|
| \$80,000 Public Improvement serial bonds due in annual installments of \$5,000 to \$10,000 through July 1, 2003, interest at 6-1/2% | <u>\$ 70,000</u> |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------|

Revenue Bonds:

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| \$370,000 Utilities serial bonds due in annual installments of \$5,000 to \$26,000 through October 1, 1998, interest at 5 percent through October 1, 1993, then at 6 percent through October 1, 1998 (this issue is being serviced - principal and interest - by the Combined Utilities Fund) | <u>\$ 73,000</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|

The annual requirements to amortize all debt outstanding as of June 30, 1996 including interest payments of \$27,181 are as follows:

| <u>Year Ending June 30</u> | <u>General Obligation</u> | <u>Revenue</u> | <u>Total</u> |
|--------------------------------|-------------------------------|------------------|------------------|
| 1996 | \$ 26,690 | \$ 9,459 | \$ 36,149 |
| 1997 | 26,280 | 9,118 | 35,398 |
| 1998 | 26,780 | 13,622 | 40,402 |
| 1999 | - | 12,963 | 12,963 |
| 2000 and thereafter | - | 45,269 | 45,269 |
| | <u>\$ 79,750</u> | <u>\$ 90,431</u> | <u>\$170,181</u> |

NOTES TO FINANCIAL STATEMENTS

Note 14. Local Services Agreement

On June 11, 1996, the Town of Iota entered into a local services agreement with the newly formed Iota Fire Protection District whose corporate limits include the Town. Within this agreement, the Town agreed to transfer, sell, and convey to the District the Town's fire fighting equipment and \$5,568 in insurance rebate funds. Total fire fighting equipment transferred to the District represented a decrease of \$73,742 within the general fixed assets of the Town. The cost of insurance premiums, water, diesel, gasoline, repair of equipment, and other operating cost for the initial start-up period in 1996 will be paid from moneys appropriated by the Town to the District derived from fire insurance premium rebates and other moneys lawfully available. In return, the District agrees to provide fire protection within the boundaries of the District which include the Town of Iota.

Note 15. Reclassification of Certain Items on the Financial Statements

To be consistent with current year classifications, some items from the prior year have been reclassified. These reclassifications had no effect on net revenues over expenditures, net income, retained earnings, or fund balances, as previously reported.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

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NOTES TO FINANCIAL STATEMENTS

Note 7. Flow of Funds; Restrictions on Use - 1% Sales and Use Tax

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

Note 8. Flow of Funds; Restrictions on Uses - Utility Revenue Bonds

Under the terms of the bond indenture on outstanding utilities revenue bonds dated October 1, 1968, all income and revenues (hereinafter referred to as revenue) earned from the operation of the utilities system are to be deposited into an account designated as the "Utilities Revenue Fund" and said fund is to be maintained and administered in the following order of priority and for the following express purposes.

- (a) The payment of all reasonable and necessary expenses of administering, operating and maintaining the utilities system from a fund designated as the "Maintenance and Operation Fund."
- (b) Each month there will be set aside into a "Utilities Revenue Bond Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due.
- (c) There shall also be set aside into a "Utilities Revenue Bond Reserve Fund" the sum of \$19,000 simultaneously with the delivery of the bonds, and monthly thereafter a sum equal to 20% of the amount required to be paid into the aforesaid "Sinking Fund" until such time as there has been accumulated into the "Reserve Fund" the sum of \$27,500.
- (d) Funds will also be set aside into a "Capital Additions and Contingency Fund" to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the utilities system. Transfers shall be made each month into this fund a sum at least equal to 5% of the gross revenues of the utilities system for the preceding month provided such sum is available after provisions are made for the funds required by the preceding paragraphs. Payments will continue as long as bonds are outstanding and the balance in this fund shall not be reduced below a minimum of \$1,000.