

RECEIVED

JAN 04 1999

LEGISLATIVE AUDITOR

OFFICIAL
FILE COPY

DO NOT SEND OUT

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

98902378
2267

TOWN OF IOTA, LOUISIANA
FINANCIAL REPORT
JUNE 30, 1998

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

Release Date FEB 03 1999

C O N T E N T S

	Exhibit or Schedule	Page
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	-	1 and 2
General purpose financial statements (combined statements - overview)		
Combined balance sheet - all fund types and account groups	A	4-7
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	B	8 and 9
Combined statement of revenues, expenditures, and changes in fund balances - budget (GAAP basis) and actual - general and special revenue fund types	C	10 and 11
Statements of revenues, expenses and changes in retained earnings - proprietary fund type	D	12
Statement of cash flows - proprietary fund type	E	13 and 14
Notes to financial statements	-	15-26
Financial statements of individual funds		
General fund:		
Balance sheets	A-1	30
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	A-2	31-33
Statement of expenditures, compared to budget (GAAP basis)	A-3	34 and 35
Special revenue funds:		
Sales tax fund:		
Balance sheets	B-1	38
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual	B-2	39 and 40
Debt service fund:		
Combining balance sheet	C-1	42
Combining Statement of revenue, expenditures, and changes in fund balance	C-2	43
Capital Projects Fund:		
Street improvements capital projects fund -		
Balance sheets	D-1	46
Statement of revenues, expenditures, and changes in fund balance	D-2	47

C O N T E N T S

	Exhibit or Schedule	Page
Enterprise Fund:		
Combined utilities fund -		
Balance sheets	E-1	50 and 51
Statement of revenues and expenses - budget (GAAP basis) and actual	E-2	52-54
Statements of changes in retained earnings	E-3	55
Schedule of cash receipts and disbursements - restricted accounts required by bond ordinance	E-4	56
Fiduciary fund:		
Statement of changes in assets and liabilities - payroll fund	F-1	58
General fixed assets group of accounts:		
Statement of changes in general fixed assets	G-1	60
General long-term debt group of accounts:		
Statement of general long-term debt	H-1	62
SUPPLEMENTARY INFORMATION		
Combined schedule of investments - all funds	1	65
Schedule of insurance in force	2	66 and 67
Schedule of compensation paid to board members	3	68
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>		
	-	69 and 70
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133		
	-	71 and 72
Schedule of findings and questioned costs	4	73-77
Summary schedule of prior audit findings	5	78-81
Schedule of expenditures of federal awards	6	82
Notes to schedule of expenditures of federal awards	7	83



BROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.
P.O. Drawer 307
Crowley, Louisiana
70527-0307
phone: (318) 783-0650
fax: (318) 783-7238

INDEPENDENT AUDITOR'S REPORT

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

Lafayette, LA
(318) 988-4930

Opelousas, LA
(318) 942-5217

Abbeville, LA
(318) 898-1497

New Iberia, LA
(318) 364-4554

Church Point, LA
(318) 684-2855

Eunice, LA
(318) 457-0071

Lawrence A. Cramer, 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 E. Lambousy, CPA*
Craig C. Balineaux, CPA*
Peter C. Borriello, CPA*
Michael P. Crochet, CPA*
George J. Trappey III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*

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

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

We have audited the accompanying general purpose financial statements of the Town of Iota, Louisiana as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Town of Iota, Louisiana. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Iota, Louisiana as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 1, 1998 on our consideration of the Town of Iota, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, including the schedule of expenditures of federal awards required by OMB Circular A-133, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Iota, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general purpose financial statements and, in our opinion is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Broussard, Roche, Lewis & Breaux LLP

Crowley, Louisiana
September 1, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)

TOWN OF IOTA, LOUISIANA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1998

ASSETS	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Cash	\$ 43,531	\$151,819	\$ 11,900	\$ -
Certificates of deposit	-	98,842	-	-
Receivables:				
Accounts	2,157	6,957	-	-
Accrued interest	-	406	-	-
Grants	-	-	-	-
Other	7,964	-	-	-
Due from other funds	2,684	63,264	-	-
Inventories, at cost	-	-	-	-
Prepaid expenses	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
Certificates of deposit	-	-	-	-
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>\$ 56,336</u>	<u>\$321,288</u>	<u>\$ 11,900</u>	<u>\$ -</u>

See Notes to Financial Statements.

Exhibit A

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals</u>	
		<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>(Memorandum Only)</u>	
<u>Enterprise</u>	<u>Agency</u>			<u>1998</u>	<u>1997</u>
\$ 67,813	\$ 5,589	\$ -	\$ -	\$ 280,652	\$ 259,243
28,442	-	-	-	127,284	94,028
60,094	-	-	-	69,208	59,589
698	-	-	-	1,104	655
56,862	-	-	-	56,862	-
-	-	-	-	7,964	2,557
122,010	-	-	-	187,958	184,797
11,816	-	-	-	11,816	12,749
8,178	-	-	-	8,178	6,987
4,114	-	-	-	4,114	114,364
69,650	-	-	-	69,650	59,509
1,797,959	-	507,149	-	2,305,108	1,331,353
-	-	-	11,900	11,900	8,154
-	-	-	(127)	(127)	(1,220)
-	-	-	43,227	43,227	53,066
<u>\$2,227,636</u>	<u>\$ 5,589</u>	<u>\$ 507,149</u>	<u>\$ 55,000</u>	<u>\$3,184,898</u>	<u>\$2,185,831</u>

(Continued)

TOWN OF IOTA, LOUISIANA

COMBINED BALANCE SHEET - (CONTINUED)
 ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1998

LIABILITIES	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Accounts payable	\$ 6,541	\$ 4,908	\$ -	\$ -
Retainage payable	-	-	-	-
Sales tax payable	-	-	-	-
Loan payable	-	-	-	-
Other payables	1,248	-	-	-
Payable from restricted assets:				
Revenue bonds	-	-	-	-
Accrued interest	-	-	-	-
Customers' deposits	-	-	-	-
Due to other funds	134,623	-	-	-
General obligation bonds	-	-	-	-
Revenue bonds payable	-	-	-	-
Total liabilities	\$ 142,412	\$ 4,908	\$ -	\$ -
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	-	-	11,773	-
Unreserved - undesignated	(86,076)	316,380	127	-
Total fund equity	\$ (86,076)	\$ 316,380	\$ 11,900	\$ -
	\$ 56,336	\$ 321,288	\$ 11,900	\$ -

See Notes to Financial Statements.

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>1998</u>	<u>1997</u>
<u>Enterprise</u>	<u>Agency</u>				
\$ 38,391	\$ -	\$ -	\$ -	\$ 49,840	\$ 17,759
46,624	-	-	-	46,624	-
847	-	-	-	847	872
-	-	-	-	-	100,000
4,455	-	-	-	5,703	7,927
1,042	-	-	-	1,042	50,000
7,743	-	-	-	7,743	748
33,677	-	-	-	33,677	32,100
47,746	5,589	-	-	187,958	184,797
-	-	-	55,000	55,000	60,000
<u>698,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>698,958</u>	<u>-</u>
<u>\$ 879,483</u>	<u>\$ 5,589</u>	<u>\$ -</u>	<u>\$ 55,000</u>	<u>\$1,087,392</u>	<u>\$ 454,203</u>
\$1,486,393	\$ -	\$ -	\$ -	\$1,486,393	\$1,096,759
-	-	507,149	-	507,149	464,153
-	-	-	-	-	16,502
-	-	-	-	-	60,314
37,090	-	-	-	37,090	34,912
(175,330)	-	-	-	(175,330)	(168,933)
-	-	-	-	11,773	6,934
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,431</u>	<u>220,987</u>
<u>\$1,348,153</u>	<u>\$ -</u>	<u>\$ 507,149</u>	<u>\$ -</u>	<u>\$2,097,506</u>	<u>\$1,731,628</u>
<u>\$2,227,636</u>	<u>\$ 5,589</u>	<u>\$ 507,149</u>	<u>\$ 55,000</u>	<u>\$3,184,898</u>	<u>\$2,185,831</u>

TOWN OF IOTA, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
Year Ended June 30, 1998

	<u>General</u>
Revenues:	
Taxes	\$ 102,846
Licenses and permits	46,338
Intergovernmental revenues	26,786
Charges for services	2,955
Fines and forfeits	4,256
Miscellaneous	4,388
	<u>\$ 187,569</u>
Expenditures:	
Current operating:	
General government	\$ 66,690
Public safety	84,415
Highways and streets	46,866
Culture and recreation	1,166
Capital outlay	786
Debt service:	
Principal retirement	-
Interest and fiscal charges	-
	<u>\$ 199,923</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (12,354)</u>
Other financing sources (uses):	
Transfers to other funds	\$ (12,500)
Transfers from other funds	2,027
Total other financing sources (uses)	<u>\$ (10,473)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (22,827)
Fund balances - beginning	<u>(63,249)</u>
Fund balances - ending	<u>\$ (86,076)</u>

See Notes to Financial Statements.

<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>	
			<u>1998</u>	<u>1997</u>
\$ 115,436	\$ -	\$ -	\$ 218,282	\$ 194,600
-	-	-	46,338	47,481
-	-	-	26,786	29,820
-	-	-	2,955	5,935
-	-	-	4,256	4,618
4,836	-	-	9,224	11,135
<u>\$ 120,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 307,841</u>	<u>\$ 293,589</u>
\$ 37,171	\$ -	\$ -	\$ 103,861	\$ 59,558
-	-	-	84,415	94,622
-	-	-	46,866	51,696
-	-	-	1,166	1,459
42,710	-	-	43,496	32,406
-	5,000	-	5,000	10,000
-	3,754	-	3,754	4,473
<u>\$ 79,881</u>	<u>\$ 8,754</u>	<u>\$ -</u>	<u>\$ 288,558</u>	<u>\$ 254,214</u>
<u>\$ 40,391</u>	<u>\$ (8,754)</u>	<u>\$ -</u>	<u>\$ 19,283</u>	<u>\$ 39,375</u>
\$ (7,027)	\$ -	\$ -	\$ (19,527)	\$ (17,948)
-	12,500	-	14,527	10,000
<u>\$ (7,027)</u>	<u>\$ 12,500</u>	<u>\$ -</u>	<u>\$ (5,000)</u>	<u>\$ (7,948)</u>
\$ 33,364	\$ 3,746	\$ -	\$ 14,283	\$ 31,427
<u>283,016</u>	<u>8,154</u>	<u>-</u>	<u>227,921</u>	<u>196,494</u>
<u>\$ 316,380</u>	<u>\$ 11,900</u>	<u>\$ -</u>	<u>\$ 242,204</u>	<u>\$ 227,921</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, 1998

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 96,900	\$ 102,846	\$ 5,946
Licenses and permits	28,710	46,338	17,628
Intergovernmental revenues	23,300	26,786	3,486
Charges for services	3,700	2,955	(745)
Fines and forfeits	2,580	4,256	1,676
Miscellaneous	3,978	4,388	410
	<u>\$ 159,168</u>	<u>\$ 187,569</u>	<u>\$ 28,401</u>
Expenditures:			
Current operating:			
General government	\$ 33,600	\$ 66,690	\$ (33,090)
Public safety	83,750	84,415	(665)
Highways and streets	40,200	46,866	(6,666)
Culture and recreation	1,300	1,166	134
Capital outlay	1,500	786	714
Debt Service:			
Principal retirement	275,000	-	275,000
Interest and fiscal charges	2,750	-	2,750
	<u>\$ 438,100</u>	<u>\$ 199,923</u>	<u>\$ 238,177</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (278,932)</u>	<u>\$ (12,354)</u>	<u>\$ 266,578</u>
Other financing sources (uses):			
Transfers to other funds	\$ (7,500)	\$ (12,500)	\$ (5,000)
Transfers from other funds	287,000	2,027	(284,973)
Total other financing sources (uses)	<u>\$ 279,500</u>	<u>\$ (10,473)</u>	<u>\$ (289,973)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ 568</u>	<u>\$ (22,827)</u>	<u>\$ (23,395)</u>
Fund balances - beginning	<u>(63,249)</u>	<u>(63,249)</u>	<u>-</u>
Fund balances - ending	<u>\$ (62,681)</u>	<u>\$ (86,076)</u>	<u>\$ (23,395)</u>

See Notes to Financial Statements.

<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>
\$ 105,000	\$ 115,436	\$ 10,436	\$ 201,900	\$ 218,282	\$ 16,382
-	-	-	28,710	46,338	17,628
-	-	-	23,300	26,786	3,486
-	-	-	3,700	2,955	(745)
-	-	-	2,580	4,256	1,676
874	4,836	3,962	4,852	9,224	4,372
<u>\$ 105,874</u>	<u>\$ 120,272</u>	<u>\$ 14,398</u>	<u>\$ 265,042</u>	<u>\$ 307,841</u>	<u>\$ 42,799</u>
\$ 32,900	\$ 37,171	\$ (4,271)	\$ 66,500	\$ 103,861	\$ (37,361)
-	-	-	83,750	84,415	(665)
-	-	-	40,200	46,866	(6,666)
-	-	-	1,300	1,166	134
36,415	42,710	(6,295)	37,915	43,496	(5,581)
-	-	-	275,000	-	275,000
-	-	-	2,750	-	2,750
<u>\$ 69,315</u>	<u>\$ 79,881</u>	<u>\$ (10,566)</u>	<u>\$ 507,415</u>	<u>\$ 279,804</u>	<u>\$ 227,611</u>
\$ 36,559	\$ 40,391	\$ 3,832	\$ (242,373)	\$ 28,037	\$ 270,410
\$ (72,000)	\$ (7,027)	\$ 64,973	\$ (79,500)	\$ (19,527)	\$ 59,973
-	-	-	287,000	2,027	(284,973)
<u>\$ (72,000)</u>	<u>\$ (7,027)</u>	<u>\$ 64,973</u>	<u>\$ 207,500</u>	<u>\$ (17,500)</u>	<u>\$ (225,000)</u>
\$ (35,441)	\$ 33,364	\$ 68,805	\$ (34,873)	\$ 10,537	\$ 45,410
283,016	283,016	-	219,767	219,767	-
<u>\$ 247,575</u>	<u>\$ 316,380</u>	<u>\$ 68,805</u>	<u>\$ 184,894</u>	<u>\$ 230,304</u>	<u>\$ 45,410</u>

TOWN OF IOTA, LOUISIANA

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
Years Ended June 30, 1998 and 1997

	Combined Utilities Fund	
	<u>1998</u>	<u>1997</u>
Operating revenues:		
Charges for services	\$ 473,820	\$ 468,786
Miscellaneous	377	1,810
	<u>\$ 474,197</u>	<u>\$ 470,596</u>
Operating expenses:		
Personal services	\$ 148,095	\$ 149,199
Fuel purchased	105,331	105,855
Supplies and materials	63,294	50,585
Heat, light and power	19,333	19,955
Depreciation	70,264	70,648
Benefit payments	11,541	10,948
Other	122,012	109,893
	<u>\$ 539,870</u>	<u>\$ 517,083</u>
Operating income (loss)	<u>\$ (65,673)</u>	<u>\$ (46,487)</u>
Non-operating revenue (expenses):		
Interest income	\$ 6,045	\$ 7,110
Interest expense	(25,727)	(3,346)
Rural development grant income	-	10,023
Rural development grant expense	-	(10,023)
Loss on sale of fixed assets	(680)	-
	<u>\$ (20,362)</u>	<u>\$ 3,764</u>
Income (loss) before operating interfund transfers	\$ (86,035)	\$ (42,723)
Operating interfund transfers:		
Operating transfers in	<u>5,000</u>	<u>7,948</u>
Net income (loss)	\$ (81,035)	\$ (34,775)
Retained earnings - beginning	<u>(57,205)</u>	<u>(22,430)</u>
Retained earnings - ending	<u>\$ (138,240)</u>	<u>\$ (57,205)</u>

See Notes to Financial Statements.

TOWN OF IOTA, LOUISIANA
 STATEMENTS OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (65,673)	\$ (46,487)
Adjustment to reconcile operating income to net cash used by operations:		
Depreciation	70,264	70,648
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	(8,978)	(2,634)
Decrease (increase) in grant receivable	(56,862)	-
Decrease (increase) in other receivables	-	402
Decrease (increase) in due from other funds	(12,747)	(21,333)
Decrease (increase) in inventory	933	(4,245)
Decrease (increase) in prepaid expenses	(1,191)	1,764
Increase (decrease) in accounts payable	29,650	(5,680)
Increase (decrease) in retainage payable	46,624	-
Increase (decrease) in sales tax payable	(25)	(111)
Increase (decrease) in accrued overtime payable	(6,823)	6,823
Increase (decrease) in due to other funds	-	1,151
Increase (decrease) in customer deposits	1,577	1,759
Increase (decrease) in accrued payroll	<u>4,455</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 1,204</u>	<u>\$ 2,057</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in from other funds	<u>\$ 5,000</u>	<u>\$ 7,948</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Bond issue proceeds	\$ 700,000	\$ -
Acquisition of capital assets	(1,004,269)	(24,470)
Principal paid on revenue bond maturities	(50,000)	(23,000)
Interest paid	(18,732)	(3,690)
Capital contributions - rural development	389,634	14,976
Interim-loan proceeds	599,521	100,000
Return of contributed capital - sales tax	-	(64,469)
Principal paid on interim - loan	<u>(699,521)</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>\$ (83,367)</u>	<u>\$ (653)</u>
Subtotals forward	<u>\$ (77,163)</u>	<u>\$ 9,352</u>

TOWN OF IOTA, LOUISIANA
 STATEMENTS OF CASH FLOWS
 PROPRIETARY FUND TYPE (CONTINUED)
 Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Subtotals forwarded	\$ <u>(77,163)</u>	\$ <u>9,352</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	\$ 2,565	\$ -
Purchase of fixed assets	(38,582)	(16,863)
Interest received	<u>5,618</u>	<u>7,034</u>
Net cash provided from investing activities	\$ <u>(30,399)</u>	\$ <u>(9,829)</u>
Net decrease in cash and cash equivalents	\$ (107,562)	\$ (477)
Cash and cash equivalents, beginning of year (Including \$114,364 and \$124,704 in restricted cash as of June 30, 1997 and 1996, respectively)	<u>179,489</u>	<u>179,966</u>
Cash and cash equivalents, end of year (Including \$4,114 and \$114,364 in restricted cash as of June 30, 1998 and 1997, respectively)	<u>\$ 71,927</u>	<u>\$ 179,489</u>

See Notes to Financial Statements.

TOWN OF IOTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

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

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

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

GOVERNMENTAL FUNDS

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

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

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

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).

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.

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

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

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

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

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

D. Budgets and budgetary accounting - The Town follows these procedures for the budgetary data reflected in the financial statements:

1. Prior to July 1, the Mayor submits to the Town Council a proposed operating budget for the ensuing year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Town Hall to obtain taxpayer comments.

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

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

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, 1998, the assessed valuation of property amounted to \$2,143,110. 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>1997</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1998</u>
Land	\$ 31,847	\$ -	\$ -	\$ 31,847
Building and improvements	72,027	-	-	72,027
Improvements other than buildings	204,034	-	-	204,034
Equipment	<u>156,245</u>	<u>43,496</u>	<u>500</u>	<u>199,241</u>
	<u>\$464,153</u>	<u>\$ 43,496</u>	<u>\$ 500</u>	<u>\$507,149</u>

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

	<u>Enterprise</u>
Land	\$ 25,125
Buildings	25,672
Distribution systems	627,457
Equipment	38,649
Water treatment	1,037,225
Construction in process - wastewater treatment plant	<u>1,072,590</u>
Total	\$2,826,718
Less accumulated depreciation	<u>1,028,759</u>
Net	<u>\$1,797,959</u>

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, 1998.

	Revenue Bond Anticipation <u> Note </u>	<u>Revenue</u>	Series 1993 General <u>Obligation</u>	<u>Total</u>
Bonds payable at June 30, 1997	\$100,000	\$ 50,000	\$ 60,000	\$210,000
Bonds issued	-	700,000	-	700,000
Bonds retired	<u>100,000</u>	<u>50,000</u>	<u>5,000</u>	<u>155,000</u>
Bonds payable at June 30, 1998	<u>\$ -</u>	<u>\$700,000</u>	<u>\$ 55,000</u>	<u>\$755,000</u>

Bonds payable at June 30, 1998 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>\$ 55,000</u>
\$603,000 Utilities Series 1997A bonds due in monthly installments of \$2,835 through March 6, 2038, interest at 4.75% (this issue is being serviced - principal and interest - by the Combined Utilities Fund)	<u>\$603,000</u>
\$97,000 Utilities Series 1997B bonds due in monthly installments of \$456 through April 6, 2038, interest 4.75% (this issue is serviced - principal and interest - by the Combined Utilities Fund)	<u>\$ 97,000</u>

NOTES TO FINANCIAL STATEMENTS

The annual requirements to amortize all debt outstanding as of June 30, 1998 including interest payments of \$846,717 are as follows:

<u>Year Ending June 30</u>	<u>Revenue</u>	<u>General Obligation</u>	<u>Total</u>
1999	\$ 6,582	\$ 13,247	\$ 19,829
2000	39,492	12,597	52,089
2001	39,492	11,947	51,439
2002	39,492	11,298	50,790
2003 and thereafter	<u>1,411,761</u>	<u>15,809</u>	<u>1,427,570</u>
	<u>\$1,536,819</u>	<u>\$ 64,898</u>	<u>\$1,601,717</u>

\$11,900 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.

Note 5. Operating Lease

The Town was 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, 1998 and 1997 amounted to \$ - 0 - and \$7,948, respectively. There are no future minimum lease payments under this lease.

Note 6. Individual Fund Interfund Receivable and Payable Balances

The individual fund interfund receivable and payable balances at June 30, 1998 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Enterprise fund:		
Combined Utilities	\$122,010	\$ 47,746
Agency fund:		
Payroll	-	5,589
General fund	2,684	134,623
Special revenue:		
Sales tax fund	<u>63,264</u>	<u>-</u>
	<u>\$187,958</u>	<u>\$187,958</u>

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

- (a) The payment of all reasonable and necessary expenses of administering, operating and maintaining the sewer system from a fund designated as the "Maintenance and Operation Fund."
- (b) Each month there will be set aside into a "Sewer Revenue Bond Sinking Fund" \$2,835 for payment on Series 1997A Sewer Revenue Bonds and \$456 for payment on Series 1997B Sewer Revenue Bonds. Such transfers shall be made on or before the sixth day of each month, beginning May 6, 1999, to assure the prompt payment of principal and interest installments as they become due.
- (c) Each month, there shall also be set aside into a "Sewer Revenue Bond Reserve Fund" an amount constituting 5% of the amounts required to be paid into the aforesaid "Sinking Fund" each month until such time as there has been accumulated into the "Reserve Fund" an amount equal to the highest annual debt service payable in any future year. The total amount that must be accumulated in the "Reserve Fund" is \$39,492, consisting of \$34,020 for Series 1997A Sewer Revenue Bonds and \$5,472 for Series 1997B Sewer Revenue Bonds.
- (d) Funds will also be set aside into a "Capital Additions and Contingency Fund" to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the utilities system. Transfers shall be made each month into this fund for \$172. Payments will continue as long as bonds are outstanding and the balance in this fund shall not be reduced without the permission of Rural Development.

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, 1998 were secured as follows:

	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Checking	\$287,315	\$100,000	\$187,315
Savings and certificates of deposit	<u>196,934</u>	<u>100,000</u>	<u>96,934</u>
Total	<u>\$484,249</u>	<u>\$200,000</u>	<u>\$284,249</u>
Securities pledged and held by the custodial bank in the name of the Bank (Category II)			<u>525,478</u>
Excess of FDIC insurance plus pledged securities over cash and cash equivalents			<u>\$241,229</u>

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

The combined utility fund has a deficit retained earnings balance of \$138,240. 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 \$86,076. Management policy is to eliminate this deficit fund balance through appropriations from other funds and the general revenues of the Town.

Note 11. Federal Financial Assistance

The Town received federal assistance through the Rural Development Office under the Community Facilities Loan Program for improvements to the sewer system. As of June 30, 1998, the funding to the Town consisted of both grant and loan monies. At June 30, 1998, the new wastewater treatment plant was approximately ninety-five percent complete. Total federal funds received and expended under this project totaled \$1,089,634 at June 30, 1998. Of this amount, \$700,000 constitutes outstanding Sewer Revenue Bonds payable.

NOTES TO FINANCIAL STATEMENTS

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, 1998, the Town recognized as revenue and expenditures \$5,407

Note 12. Contingencies

As of June 30, 1998, the Town of Iota had a dispute over the accuracy of engineering fees charged for work performed on their proposal for construction of a new water plant. This proposal was previously defeated in a public election by Town citizens. It is the position of the Town that since the proposition put before the voters to issue bonds for the project failed, that the amounts billed are in error. The disputed fees total \$46,366. Since the Town's management feels that a successful prosecution is unlikely, no amounts have been provided for in the financial statements.

Note 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 carries commercial insurance.

Note 14. Reclassifications

Certain reclassifications have been made in the 1997 totals in order to be consistent with presentation in the 1998 general purpose financial statements.

This page is intentionally left blank.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

This page is intentionally left blank.

GENERAL FUND

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

TOWN OF IOTA, LOUISIANA
GENERAL FUND

BALANCE SHEETS
June 30, 1998 and 1997

ASSETS	<u>1998</u>	<u>1997</u>
Cash	\$ 43,531	\$ 69,701
Accounts receivable	2,157	1,208
Grant receivable	7,964	2,557
Due from other funds	<u>2,684</u>	<u>2,730</u>
	<u>\$ 56,336</u>	<u>\$ 76,196</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 6,541	\$ 8,363
Accrued expenses	1,248	-
Due to other funds	<u>134,623</u>	<u>131,082</u>
	\$142,412	\$139,445
FUND BALANCE	<u>(86,076)</u>	<u>(63,249)</u>
	<u>\$ 56,336</u>	<u>\$ 76,196</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, 1998
With Comparative Actual Amounts for Year Ended June 30, 1997

	<u>1998</u>		<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
			Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
Ad valorem taxes	\$ 53,600	\$ 57,880	\$ 4,280
Electric franchise tax	38,000	39,339	1,339
Telephone tax	4,000	4,167	167
Cable TV franchise	<u>1,300</u>	<u>1,460</u>	<u>160</u>
	<u>\$ 96,900</u>	<u>\$102,846</u>	<u>\$ 5,946</u>
Licenses and permits:			
Occupational licenses	\$ 10,360	\$ 11,762	\$ 1,402
Insurance licenses	15,900	32,632	16,732
Liquor licenses	2,000	1,500	(500)
Building permits	<u>450</u>	<u>444</u>	<u>(6)</u>
	<u>\$ 28,710</u>	<u>\$ 46,338</u>	<u>\$ 17,628</u>
Intergovernmental revenue:			
Beer tax	\$ 2,500	\$ 2,696	\$ 196
Tobacco tax	4,900	6,534	1,634
Gaming commissions	10,200	12,149	1,949
Police grant	<u>5,700</u>	<u>5,407</u>	<u>(293)</u>
	<u>\$ 23,300</u>	<u>\$ 26,786</u>	<u>\$ 3,486</u>
Charges for services:			
Court cost	<u>\$ 3,700</u>	<u>\$ 2,955</u>	<u>\$ (745)</u>
Fines and forfeits:			
Fines	\$ 2,500	\$ 3,992	\$ 1,492
Interest and penalties	<u>80</u>	<u>264</u>	<u>184</u>
	<u>\$ 2,580</u>	<u>\$ 4,256</u>	<u>\$ 1,676</u>
Total revenues (forward)	<u>\$155,190</u>	<u>\$183,181</u>	<u>\$ 27,991</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, 1998

With Comparative Actual Amounts for Year Ended June 30, 1997

	1998		Variance- Favorable (Unfavorable)	1997
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Total revenues forwarded	\$ 155,190	\$ 183,181	\$ 27,991	\$ 185,582
Miscellaneous revenue:				
Interest income	\$ 750	\$ 884	\$ 134	\$ 859
Rent income - AVCAP	-	-	-	500
Rent income - Becnel Park	-	-	-	250
Gain on sale of assets	500	500	-	3,501
Other	2,728	3,004	276	2,947
	<u>\$ 3,978</u>	<u>\$ 4,388</u>	<u>\$ 410</u>	<u>\$ 8,057</u>
Total revenues	<u>\$ 159,168</u>	<u>\$ 187,569</u>	<u>\$ 28,401</u>	<u>\$ 193,639</u>
Expenditures:				
Current operating:				
General government	\$ 33,600	\$ 66,690	\$ (33,090)	\$ 36,141
Public safety	83,750	84,415	(665)	94,622
Highways and streets	40,200	46,866	(6,666)	51,696
Culture and recreation	1,300	1,166	134	1,459
Capital outlay	1,500	786	714	25,913
Debt service:				
Principal retirement	275,000	-	275,000	-
Interest and fiscal charges	2,750	-	2,750	-
Total expenditures	<u>\$ 438,100</u>	<u>\$ 199,923</u>	<u>\$ 238,177</u>	<u>\$ 209,831</u>
(Deficiency) of revenues over expenditures	<u>\$(278,932)</u>	<u>\$ (12,354)</u>	<u>\$ 266,578</u>	<u>\$ (16,192)</u>
Other financing sources (uses):				
Transfers to other funds	\$ (7,500)	\$ (12,500)	\$ (5,000)	\$ (10,000)
Transfers from other funds	287,000	2,027	(284,973)	-
Total other financing sources	<u>\$ 279,500</u>	<u>\$ (10,473)</u>	<u>\$(289,973)</u>	<u>\$ (10,000)</u>
Deficiency of revenues and other sources over expenditures (totals forward)	<u>\$ 568</u>	<u>\$ (22,827)</u>	<u>\$ (23,395)</u>	<u>\$ (26,192)</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, 1998

With Comparative Actual Amounts for Year Ended June 30, 1997

	1998			1997
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Actual</u>
Deficiency of revenues and other sources over expenditures (totals forwarded)	\$ 568	\$ (22,827)	\$ (23,395)	\$ (26,192)
Fund balance (deficit) - beginning	(63,249)	(63,249)	-	(37,024)
Residual equity transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33)</u>
Fund balance (deficit) - ending	<u>\$ (62,681)</u>	<u>\$ (86,076)</u>	<u>\$ (23,395)</u>	<u>\$ (63,249)</u>

TOWN OF IOTA, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1998
With Comparative Actual Amounts for Year Ended June 30, 1997

	<u>1998</u>			<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Actual</u>
General government:				
Salaries	\$ 7,400	\$ 11,700	\$ (4,300)	\$ 11,700
Payroll taxes	560	895	(335)	895
Auditing	3,950	6,047	(2,097)	4,109
Office supplies	120	60	60	-
Postage and telephone	2,560	2,796	(236)	2,661
Insurance	5,000	5,573	(573)	4,747
Utilities	3,000	3,781	(781)	3,865
Miscellaneous	10,735	9,381	1,354	8,160
Bridge expense	275	26,457	(26,182)	-
Repairs - Headstart	-	-	-	4
	<u>\$ 33,600</u>	<u>\$ 66,690</u>	<u>\$ (33,090)</u>	<u>\$ 36,141</u>
Public safety:				
Police salaries	\$ 50,200	\$ 47,292	\$ 2,908	\$ 54,121
Payroll taxes	4,000	3,492	508	4,084
Auto	8,000	7,471	529	8,644
Telephone	1,800	1,687	113	2,309
Miscellaneous	2,850	2,271	579	1,883
Supplies	1,400	1,757	(357)	1,782
Insurance	14,500	19,421	(4,921)	19,180
Police auxiliary expenses	1,000	1,024	(24)	2,619
	<u>\$ 83,750</u>	<u>\$ 84,415</u>	<u>\$ (665)</u>	<u>\$ 94,622</u>
Subtotals forward	<u>\$117,350</u>	<u>\$151,105</u>	<u>\$ (33,755)</u>	<u>\$130,763</u>

TOWN OF IOTA, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1998
With Comparative Actual Amounts for Year Ended June 30, 1997

	1998		Variance- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Subtotals forwarded	\$ 117,350	\$ 151,105	\$ (33,755)	\$ 130,763
Highways and streets:				
Supplies and materials	\$ 19,000	\$ 20,608	\$ (1,608)	\$ 24,121
Repairs and maintenance	1,000	3,350	(2,350)	5,348
Gas, oil, and tires	4,000	4,338	(338)	3,504
Utilities	14,000	13,580	420	14,189
Insurance	1,600	3,979	(2,379)	3,644
Miscellaneous	600	1,011	(411)	890
	<u>\$ 40,200</u>	<u>\$ 46,866</u>	<u>\$ (6,666)</u>	<u>\$ 51,696</u>
Culture and recreation:				
Becnel Park expense	\$ 1,300	\$ 1,166	\$ 134	\$ 1,459
Capital outlay	\$ 1,500	\$ 786	\$ 714	\$ 25,913
Debt service:				
Principal	\$ 275,000	\$ -	\$ 275,000	\$ -
Interest	2,750	-	2,750	-
	<u>\$ 277,750</u>	<u>\$ -</u>	<u>\$ 277,750</u>	<u>\$ -</u>
Total expenditures	<u>\$ 438,100</u>	<u>\$ 199,923</u>	<u>\$ 238,177</u>	<u>\$ 209,831</u>

This page is intentionally left blank.

SPECIAL REVENUE FUND

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

TOWN OF IOTA, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND

BALANCE SHEETS
June 30, 1998 and 1997

ASSETS	<u>1998</u>	<u>1997</u>
Cash	\$151,819	\$109,190
Investments, at cost	98,842	94,028
Accounts receivable	6,957	7,265
Accrued interest receivable	406	384
Due from other funds	<u>63,264</u>	<u>72,804</u>
	<u>\$321,288</u>	<u>\$283,671</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 4,908	\$ 655
FUND BALANCE	<u>316,380</u>	<u>283,016</u>
	<u>\$321,288</u>	<u>\$283,671</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, 1998
With Comparative Actual Amounts for Year Ended June 30, 1997

	<u>1998</u>			<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Actual</u>
Revenues:				
Taxes:				
Sales tax	\$105,000	\$115,436	\$ 10,436	\$ 96,872
Miscellaneous revenue:				
Interest income	<u>874</u>	<u>4,836</u>	<u>3,962</u>	<u>3,078</u>
Total revenues	<u>\$105,874</u>	<u>\$120,272</u>	<u>\$ 14,398</u>	<u>\$ 99,950</u>
Expenditures:				
Current:				
General government:				
Engineering and consulting	\$ 1,000	\$ 679	\$ 321	\$ 2,042
Collection fees	2,550	1,988	562	1,452
Printing, stationery and supplies	3,300	5,127	(1,827)	2,447
Repairs and maintenance	14,600	15,682	(1,082)	2,330
Audit fees	3,950	5,022	(1,072)	5,358
Miscellaneous	<u>7,500</u>	<u>8,673</u>	<u>(1,173)</u>	<u>9,788</u>
	<u>\$ 32,900</u>	<u>\$ 37,171</u>	<u>\$ (4,271)</u>	<u>\$ 23,417</u>
Capital outlay	<u>\$ 36,415</u>	<u>\$ 42,710</u>	<u>\$ (6,295)</u>	<u>\$ 6,493</u>
Total expenditures	<u>\$ 69,315</u>	<u>\$ 79,881</u>	<u>\$ (10,566)</u>	<u>\$ 29,910</u>
Excess of revenues over expenditures	\$ 36,559	\$ 40,391	\$ 3,832	\$ 70,040
Other sources (uses):				
Transfers to other funds	<u>(72,000)</u>	<u>(7,027)</u>	<u>64,973</u>	<u>(10,448)</u>
Excess of revenues and other sources over expenditures and other uses	\$(35,441)	\$ 33,364	\$ 68,805	\$ 59,592
Fund balance - beginning	<u>283,016</u>	<u>283,016</u>	-	<u>223,424</u>
Fund balance - ending	<u>\$247,575</u>	<u>\$316,380</u>	<u>\$ 68,805</u>	<u>\$283,016</u>

This page is intentionally left blank.

DEBT SERVICE FUNDS

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

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

BALANCE SHEETS
June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash Sinking Fund	<u>\$ 11,900</u>	<u>\$ 8,154</u>
FUND BALANCE		
FUND BALANCE		
Reserved for debt retirement	\$ 11,773	\$ 6,934
Unreserved	<u>127</u>	<u>1,220</u>
	<u>\$ 11,900</u>	<u>\$ 8,154</u>

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

STATEMENTS OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenue:		
Interest income	\$ -	\$ -
Expenditures:		
Debt service:		
Principal retirement	\$ 5,000	\$ 10,000
Interest coupons paid	<u>3,754</u>	<u>4,473</u>
	<u>\$ 8,754</u>	<u>\$ 14,473</u>
(Deficiency) of revenues over expenditures	\$ (8,754)	\$(14,473)
Other financing sources (uses):		
Transfers from other funds	<u>12,500</u>	<u>10,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 3,746	\$ (4,473)
Fund balance - beginning	<u>8,154</u>	<u>12,627</u>
Fund balance - end of year	<u>\$ 11,900</u>	<u>\$ 8,154</u>

This page is intentionally left blank.

CAPITAL PROJECTS FUND

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

TOWN OF IOTA, LOUISIANA
 CAPITAL PROJECTS FUND
 STREET IMPROVEMENTS

BALANCE SHEETS
 June 30, 1998 and 1997

ASSETS	<u>1998</u>	<u>1997</u>
Cash and cash equivalents	\$ -	\$ -
Grant receivable	-	-
Due from other funds	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ -	\$ -
Retainage payable	-	-
Due to other funds	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE		
	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>

TOWN OF IOTA, LOUISIANA
CAPITAL PROJECTS FUND
STREET IMPROVEMENTS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Year Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Grant	\$ -	\$ -
Expenditures:		
Capital outlay	\$ -	\$ -
Debt service:		
Principal retirement	-	-
Interest	-	-
	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures	\$ -	\$ -
Other financing sources:		
Transfers from other funds	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ -	\$ -
Fund balance, beginning	-	(33)
Residual equity transfer out	<u>-</u>	<u>33</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>

This page is intentionally left blank.

ENTERPRISE FUND

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

TOWN OF IOTA, LOUISIANA
COMBINED UTILITIES FUND

BALANCE SHEETS
June 30, 1998 and 1997

ASSETS	<u>1998</u>	<u>1997</u>
CURRENT ASSETS		
Cash	\$ 67,813	\$ 65,125
Certificates of deposit	28,442	-
Accounts receivable	60,094	51,116
Grants receivable	56,862	-
Accrued interest receivable	698	271
Due from other funds	122,010	109,263
Inventory - supplies, at cost (FIFO)	11,816	12,749
Prepaid insurance	<u>8,178</u>	<u>6,987</u>
Total current assets	<u>\$ 355,913</u>	<u>\$ 245,511</u>
RESTRICTED ASSETS		
Bond reserve account	\$ -	\$ 27,511
Bond capital additions and contingencies account	-	60,314
Revenue bond and interest sinking fund	-	16,502
Customers' deposits:		
Cash	4,114	10,037
Certificates of deposit	32,560	24,185
Certificates of deposit - Sewer Grant	27,923	27,923
Reserve - sewer improvements (CD)	<u>9,167</u>	<u>7,401</u>
	<u>\$ 73,764</u>	<u>\$ 173,873</u>
PLANT AND EQUIPMENT, at cost, net of accumulated depreciation of \$1,028,759 and \$978,850 at June 30, 1998 and 1997, respectively	<u>\$1,797,959</u>	<u>\$ 867,200</u>
	<u>\$2,227,636</u>	<u>\$1,286,584</u>

LIABILITIES AND FUND EQUITY	<u>1998</u>	<u>1997</u>
CURRENT LIABILITIES		
Payable from current assets:		
Accounts payable	\$ 38,391	\$ 8,741
Retainage payable	46,624	-
Sales tax payable	847	872
Accrued payroll	4,455	-
Accrued overtime payable	-	6,823
Loan payable	-	100,000
Due to other funds	<u>47,746</u>	<u>47,746</u>
	<u>\$ 138,063</u>	<u>\$ 164,182</u>
 Payable from restricted assets:		
Revenue bonds payable	\$ 1,042	\$ 50,000
Accrued interest payable	7,743	748
Customers' deposits	<u>33,677</u>	<u>32,100</u>
	<u>\$ 42,462</u>	<u>\$ 82,848</u>
 Total current liabilities	 \$ 180,525	 \$ 247,030
OTHER LIABILITIES		
Revenue bonds payable	<u>698,958</u>	<u>-</u>
 Total liabilities	 <u>\$ 879,483</u>	 <u>\$ 247,030</u>
FUND EQUITY		
Contributed capital	<u>\$1,486,393</u>	<u>\$1,096,759</u>
Retained earnings:		
Reserved for revenue bond retirement	\$ -	\$ 16,502
Reserved for revenue bond contingency	-	60,314
Reserved for sewer improvements	37,090	34,912
Unreserved	<u>(175,330)</u>	<u>(168,933)</u>
	<u>\$ (138,240)</u>	<u>\$ (57,205)</u>
	 <u>\$2,227,636</u>	 <u>\$1,286,584</u>

TOWN OF IOTA, LOUISIANA
COMBINED UTILITIES FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1998
With Comparative Actual Amounts for Year Ended June 30, 1997

	<u>1998</u>			<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Actual</u>
Operating revenues:				
Charges for services:				
Natural gas sales	\$215,000	\$224,188	\$ 9,188	\$218,854
Water sales	140,000	144,521	4,521	147,440
Sewer fees	90,000	97,139	7,139	97,210
Reconnection charge	1,400	2,425	1,025	340
Overdue penalty	3,500	4,853	1,353	4,392
Customer transfer fee	450	550	100	550
Bad debt recovery	150	144	(6)	-
	<u>\$450,500</u>	<u>\$473,820</u>	<u>\$ 23,320</u>	<u>\$468,786</u>
Miscellaneous revenue	<u>2,500</u>	<u>377</u>	<u>(2,123)</u>	<u>1,810</u>
Total revenue (totals forward)	<u>\$453,000</u>	<u>\$474,197</u>	<u>\$ 21,197</u>	<u>\$470,596</u>
Operating expenses:				
Personal services:				
Salaries and wages	<u>\$147,000</u>	<u>\$148,095</u>	<u>\$ (1,095)</u>	<u>\$149,199</u>
Fuel purchased	<u>\$ 92,500</u>	<u>\$105,331</u>	<u>\$ (12,831)</u>	<u>\$105,855</u>
Supplies and materials:				
Gas system	\$ 4,000	\$ 6,235	\$ (2,235)	\$ 10,053
Water system	42,500	47,375	(4,875)	27,992
Sewer system	6,000	9,684	(3,684)	12,540
	<u>\$ 52,500</u>	<u>\$ 63,294</u>	<u>\$ (10,794)</u>	<u>\$ 50,585</u>
Heat, light and power:				
Gas system	\$ 1,150	\$ 993	\$ 157	\$ 1,086
Water system	14,000	14,524	(524)	15,590
Sewer system	3,000	3,816	(816)	3,279
	<u>\$ 18,150</u>	<u>\$ 19,333</u>	<u>\$ (1,183)</u>	<u>\$ 19,955</u>
Depreciation	<u>\$ 70,000</u>	<u>\$ 70,264</u>	<u>\$ (264)</u>	<u>\$ 70,648</u>
Subtotals forward	<u>\$380,150</u>	<u>\$406,317</u>	<u>\$ (26,167)</u>	<u>\$396,242</u>

TOWN OF IOTA, LOUISIANA
COMBINED UTILITIES FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1998

With Comparative Actual Amounts for Year Ended June 30, 1997

	1998		Variance- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Operating revenues:				
Totals forwarded	\$ 453,000	\$ 474,197	\$ 21,197	\$ 470,596
Operating expenses:				
Subtotals forwarded	\$ 380,150	\$ 406,317	\$ (26,167)	\$ 396,242
Operating expenses (continued):				
Benefit payments:				
Payroll taxes	\$ 11,500	\$ 11,541	\$ (41)	\$ 10,948
Other operating expenses:				
Repairs and maintenance:				
Gas system	\$ 4,950	\$ 6,007	\$ (1,057)	\$ 12,311
Water system	40,000	44,223	(4,223)	23,509
Sewer system	4,500	5,555	(1,055)	1,265
Miscellaneous:				
Gas system	200	1,189	(989)	1,164
Water system	600	517	83	449
Sewer system	700	2,430	(1,730)	848
Printing, stationery and supplies	3,500	3,815	(315)	4,839
Insurance	15,000	14,361	639	17,332
Superintendent's truck expense	2,000	3,471	(1,471)	1,435
Bad debts	-	1,137	(1,137)	1,703
Auditing and accounting	3,950	5,149	(1,199)	4,548
Legal fees	250	188	62	132
EPA permit	1,000	694	306	934
Miscellaneous general expense	15,650	20,305	(4,655)	26,198
Equipment rent	9,000	9,000	-	7,948
Water plant phone	1,000	1,272	(272)	1,444
Appropriation - auxiliary police	-	1,744	(1,744)	1,735
Engineering services	-	955	(955)	2,099
	<u>\$ 102,300</u>	<u>\$ 122,012</u>	<u>\$ (19,712)</u>	<u>\$ 109,893</u>
Total operating expenses	\$ 493,950	\$ 539,870	\$ (45,920)	\$ 517,083
Operating loss (totals forward)	\$ (40,950)	\$ (65,673)	\$ (24,723)	\$ (46,487)

TOWN OF IOTA, LOUISIANA
COMBINED UTILITIES FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1998
With Comparative Actual Amounts for Year Ended June 30, 1997

	1998		Variance- Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Operating loss (totals forwarded)	\$ (40,950)	\$ (65,673)	\$ (24,723)	\$ (46,487)
Non-operating revenues and expenses):				
Interest income	\$ 5,650	\$ 6,045	\$ 395	\$ 7,110
Interest expense	(28,400)	(25,727)	2,673	(3,346)
Rural development grant - income	-	-	-	10,023
Rural development grant - expense	-	-	-	(10,023)
Loss on sale of fixed assets	-	(680)	(680)	-
	<u>\$ (22,750)</u>	<u>\$ (20,362)</u>	<u>\$ 2,388</u>	<u>\$ 3,764</u>
Loss before operating interfund transfers	\$ (63,700)	\$ (86,035)	\$ (22,335)	\$ (42,723)
Operating interfund transfers:				
Operating transfers in	\$ 40,000	\$ 5,000	\$ (35,000)	\$ 7,948
Operating transfers out	-	-	-	-
Total operating interfund transfers	<u>\$ 40,000</u>	<u>\$ 5,000</u>	<u>\$ (35,000)</u>	<u>\$ 7,948</u>
Net loss	<u>\$ (23,700)</u>	<u>\$ (81,035)</u>	<u>\$ (57,335)</u>	<u>\$ (34,775)</u>

TOWN OF IOTA, LOUISIANA
COMBINED UTILITIES FUNDSTATEMENTS OF CHANGES IN RETAINED EARNINGS
Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Balance, beginning	\$ (57,205)	\$ (22,430)
Net income (loss)	(81,035)	(34,775)
Residual equity transfer in	<u> -</u>	<u> -</u>
Balance, ending	<u>\$ (138,240)</u>	<u>\$ (57,205)</u>

TOWN OF IOTA, LOUISIANA
COMBINED UTILITIES FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS -
RESTRICTED ACCOUNTS REQUIRED BY BOND ORDINANCE
Year Ended June 30, 1998

	<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>16,502</u>	\$ <u>27,511</u>	\$ <u>60,314</u>	\$ <u>7,401</u>	\$ <u>111,728</u>
Cash receipts:					
Transfers from operating account	\$ 4,500	\$ -	\$ -	\$ -	\$ 4,500
Transfers from contingency fund	31,538	-	-	-	31,538
Transfer from sewer grant certificates of deposit	-	-	-	1,396	1,396
Interest earned on investments	<u>356</u>	<u>466</u>	<u>989</u>	<u>370</u>	<u>2,181</u>
	<u>\$ 36,394</u>	<u>\$ 466</u>	<u>\$ 989</u>	<u>\$ 1,766</u>	<u>\$ 39,615</u>
 Total cash and investments available	 <u>\$ 52,896</u>	 <u>\$ 27,977</u>	 <u>\$ 61,303</u>	 <u>\$ 9,167</u>	 <u>\$151,343</u>
Cash disbursements:					
Payment on matured bonds and interest	\$ 51,500	\$ -	\$ -	\$ -	\$ 51,500
Disbursement to Town	320	27,930	27,824	-	56,074
Transfer to sinking fund	-	-	31,538	-	31,538
Paying agent fees	36	47	99	-	182
Early call fee	1,040	-	-	-	1,040
Advertising fee	<u>-</u>	<u>-</u>	<u>1,842</u>	<u>-</u>	<u>1,842</u>
Total disbursements	<u>\$ 52,896</u>	<u>\$ 27,977</u>	<u>\$ 61,303</u>	<u>\$ -</u>	<u>\$142,176</u>
 Total cash and investments - end of year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 9,167</u>	 <u>\$ 9,167</u>

FIDUCIARY FUND

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

TOWN OF IOTA, LOUISIANA
 STATEMENT OF CHANGES IN ASSETS AND
 LIABILITIES - PAYROLL FUND
 June 30, 1998 and 1997

ASSETS	Balance, July 1, <u>1997</u>	<u>Additions</u>	<u>Deductions</u>	Balance, June 30, <u>1998</u>
Cash	<u>\$ 7,073</u>	<u>\$234,205</u>	<u>\$235,689</u>	<u>\$ 5,589</u>
LIABILITIES				
Payroll taxes payable	\$ 1,100	\$ 54,980	\$ 56,080	\$ -
Due to other funds	5,969	225,787	226,167	5,589
Other payables	<u>4</u>	<u>2,128</u>	<u>2,132</u>	<u>-</u>
	<u>\$ 7,073</u>	<u>\$282,895</u>	<u>\$284,379</u>	<u>\$ 5,589</u>

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

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

TOWN OF IOTA, LOUISIANA
GENERAL FIXED ASSETS GROUP OF ACCOUNTS

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Year Ended June 30, 1998

	Balance, July 1, <u>1997</u>	<u>Additions</u>	<u>Deductions</u>	Balance, June 30, <u>1998</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>156,245</u>	<u>43,496</u>	<u>500</u>	<u>199,241</u>
	<u>\$464,153</u>	<u>\$ 43,496</u>	<u>\$ 500</u>	<u>\$507,149</u>
Investment in general fixed assets from:				
Federal grant	\$ 33,969	\$ -	\$ -	\$ 33,969
General fund revenues	213,468	786	-	214,254
Sales tax fund revenues	123,297	42,710	500	165,507
Federal and state revenue sharing revenues	<u>93,419</u>	<u>-</u>	<u>-</u>	<u>93,419</u>
	<u>\$464,153</u>	<u>\$ 43,496</u>	<u>\$ 500</u>	<u>\$507,149</u>

GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS

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

TOWN OF IOTA, LOUISIANA
 STATEMENT OF GENERAL LONG-TERM DEBT
 Year Ended June 30, 1998

	<u>1993 Series General Obligation Bonds</u>	
	<u>1998</u>	<u>1997</u>
<u>AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT</u>		
Amount available in Debt Service Fund	\$ 11,900	\$ 8,154
Amount available for other purposes	(127)	(1,220)
Amount to be provided from:		
Excess revenues of the Town	<u>43,227</u>	<u>53,066</u>
Total available and to be provided for retirement of long-term debt	<u>\$ 55,000</u>	<u>\$ 60,000</u>
 GENERAL LONG-TERM DEBT PAYABLE		
Bonds payable	<u>\$ 55,000</u>	<u>\$ 60,000</u>

SUPPLEMENTARY INFORMATION

This page is intentionally left blank.

TOWN OF IOTA, LOUISIANA

COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS
June 30, 1998

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Value</u>
Sales Tax Fund:			
Certificate of deposit -			
Bank of Commerce & Trust Co.	4.95%	12-24-98	\$ 17,996
Bank of Commerce & Trust Co.	5.05%	11-26-98	<u>80,846</u>
			<u>\$ 98,842</u>
Combined Utilities Fund:			
Certificates of deposit -			
Bank of Commerce & Trust Co.	4.95%	08-08-98	\$ 9,000
Bank of Commerce & Trust Co.	4.95%	12-23-98	27,923
Bank of Commerce & Trust Co.	4.95%	12-23-98	9,167
Bank of Commerce & Trust Co.	5.05%	02-27-99	15,966
Bank of Commerce & Trust Co.	5.05%	01-15-99	7,594
Bank of Commerce & Trust Co.	5.20%	10-08-98	<u>28,442</u>
			<u>\$ 98,092</u>
Total, all funds			<u>\$196,934</u>

TOWN OF IOTA, LOUISIANA
 SCHEDULE OF INSURANCE IN FORCE
 (Unaudited)
 June 30, 1998

<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
Commercial Union Insurance Companies	Rescue unit building and meeting house
Western Surety Company	Mayor, clerk, tax collector, and secretary
Western Surety Company	Clerk
Western Surety Company	Secretary
Audubon Insurance Group	Police automobiles

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	\$108,800	80%	04-12-99
Bond	\$1,000,000	-	05-01-99
Workmen's compensation & employer's employer's liability	Statutory	-	12-31-98
Fire, lightning, extended coverage, vandalism and malicious mischief	\$86,300	80%	04-12-99
Comprehensive collision	\$500,000	-	05-01-99
Fire, medical payments, property damage	\$500,000	-	05-01-99
Fire, lightening, extended coverage, vandalism and malicious mischief	\$1,078,900	80%	04-12-99
Fire, lightening, extended coverage, vandalism and malicious mischief	\$19,300	80%	04-12-99
Bond	\$36,000	-	10-28-98
Bond	\$5,000	-	10-28-98
Bond	\$5,000	-	11-18-98
Commercial auto physical damage	Total loss endorsement	-	07-23-98

TOWN OF IOTA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
Year Ended June 30, 1998

<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	1,500
Thomas Miller	<u>1,500</u>
	<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.



BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.
P.O. Drawer 307
Crowley, Louisiana
70527-0307

phone: (318) 783-0650
fax: (318) 783-7238

Lafayette, LA
(318) 988-4930

Opelousas, LA
(318) 942-5217

Abbeville, LA
(318) 898-1497

New Iberia, LA
(318) 364-4554

Church Point, LA
(318) 684-2855

Eunice, LA
(318) 457-0071

Lawrence A. Ganner, CPA*
Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lamoine 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. Babineaux, CPA*
Peter C. Borrello, CPA*
Michael P. Crochet, CPA*
George J. Trappey III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*

Retired:

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

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

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING 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, 1998, and have issued our report thereon dated September 1, 1998. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide.

Compliance

As part of obtaining reasonable assurance about whether the Town of Iota, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item 98-1.

Internal Control Over Financial Reporting

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

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

provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town of Iota, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 98-2 and 98-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 98-2 and 98-3 to be material weaknesses.

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

Broussard, Roche, Lewis & Breaux, LLP

Crowley, Louisiana
September 1, 1998



BROUSSARD, POCHE', LEWIS & BREAUX, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

122 East 5th St.
P.O. Drawer 307
Crowley, Louisiana
70527-0307
phone: (318) 783-0650
fax: (318) 783-7238

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

Lafayette, LA
(318) 988-4930

Opelousas, LA
(318) 942-5217

Abbeville, LA
(318) 898-1497

New Iberia, LA
(318) 364-4554

Church Point, LA
(318) 684-2855

Eunice, LA
(318) 457-0071

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

Compliance

We have audited the compliance of the Town of Iota, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. The Town of Iota, Louisiana's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Iota, Louisiana's management. Our responsibility is to express an opinion on the Town of Iota, Louisiana's compliance based on our audit.

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

Lawrence A. Cramer, CPA*
Eugene C. Gilder, CPA*
Donald W. Kelley, CPA*
Herbert Lemoine II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
E. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanchet III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Babinoux, CPA*
Peter C. Borrello, CPA*
Michael P. Crochet, CPA*
George J. Trappey III, CPA*
Daniel E. Gilder, CPA*
Gregory B. Milton, CPA*
S. Scott Souleau, CPA*
Patrick D. McCarthy, CPA*

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

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

* A Professional Accounting Corporation.

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

In our opinion, the Town of Iota, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item #98-4.

Internal Control Over Compliance

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

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

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

Broussard, Poché, Lewis & Breaux LLP

Crowley, Louisiana
September 1, 1998

TOWN OF IOTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1998

Section I Summary of Audit Results

The following summarize the auditors' results in accordance with OMB Circular A-133:

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Town of Iota, Louisiana as of and for the year ended June 30, 1998.
2. Two reportable conditions in internal control were disclosed by the audit of the financial statements and were considered to be material weaknesses;
3. The audit disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards and is considered material to the financial statements of the Town of Iota, Louisiana;
4. No reportable conditions in internal control over major programs were disclosed during the audit of the major federal awards program.
5. An unqualified opinion was issued on compliance for each major program;
6. Audit findings relative to the major federal award programs for the Town of Iota, Louisiana are reported in Part C of this schedule;
7. The following program was major for the year ended June 30, 1998:
Water and Waste Loan and Grant Program (CFDA #10.760)
8. \$300,000 was the threshold used to distinguish Type A from Type B programs; and
9. The Town of Iota, Louisiana did not qualify as a low-risk auditee.

TOWN OF IOTA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1998

Section II Findings in Accordance with Government Auditing Standards.

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

#98-1 Compliance: Budget

Criteria:

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

Finding and effect:

For the year ended June 30, 1998, actual revenues and expenditures exceeded budgeted revenues and expenditures by more than five percent in the Sales Tax Fund. Also, for the year ended June 30, 1998, actual expenditures exceeded budgeted expenditures by more than five percent in the Utility Fund. Actual revenues exceeded budgeted revenues by more than five percent in the General Fund. Thus, the Town is not in compliance with the Local Government Budget Act.

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

Questioned costs: \$-0-

Cause:

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

Recommendation:

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

Response:

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

TOWN OF IOTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1998

Section II Findings in Accordance with Government Auditing Standards (continued)

#98-2 Internal Control: Segregation of Duties

Criteria:

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

Finding and effect:

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

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

Questioned costs: \$-0-

Cause:

The Town clerk performs most duties with regards to payroll.

Recommendation:

We recommend that the duties relating to payroll be split between the three office employees in a manner that facilitates an adequate segregation of duties.

Response:

Due to the limited number of personnel, it is not always practical to have a complete segregation of duties. Due to the sensitive nature of the personnel information involved with respect to payroll, the Town will not change the procedures for payroll. We understand management's desire to protect confidential information, but we still believe a further segregation of duties would be beneficial to internal control.

TOWN OF IOTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1998

Section II Findings in Accordance with Government Auditing Standards (Continued)

#98-3 Internal Control: Supplies Lists

Specific requirement:

The Town handbook requires that a list be kept of supplies used out of the Town's barn and the jobs on which they were used. These lists are to be submitted to Town Hall each Monday.

Finding and effect:

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

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

Questioned costs: \$-0-

Cause:

The Town has employed several different superintendents over the past few years and the requirement for these lists was not passed down to new superintendents by the previous ones. Also, turnovers in Town Hall have led to this policy not being passed on to management.

Recommendation:

We recommend that lists be kept of the supplies used and on which jobs they were used and that these lists be submitted to Town Hall on Mondays.

Response:

The superintendent will be in charge of compiling weekly lists of supplies used and on which jobs they were used. These lists will be submitted to Town Hall each week for inspection.

TOWN OF IOTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1998

Section III Findings and Questioned Costs for Federal Awards

The following finding is related to the major program and is required to be reported in accordance with OMB Circular A-133:

Department of Agriculture

Water and Waste Loan and Grant Programs - CFDA #10.760

#98-4 Compliance - Budget Submission

Specific requirement:

The Town's bond agreement with the Office of Rural Development requires the Town to submit a copy of their annual budget to Rural Development each year.

Finding and effect:

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

Questioned costs: \$-0-

Cause:

The Town hired a new clerk in November, 1997 and she was not familiar with the terms of the contract.

Recommendation:

We recommend that the Town Clerk submit to the Office of Rural Development a copy of their fiscal year 1998 budget and continue to submit copies of each annual budget until their contract with the Office of Rural Development is completed.

Response:

The Town Clerk will send a copy of the Town's fiscal year 1998 budget to the Office of Rural Development immediately.

TOWN OF IOTA, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 1998

I. Internal Control and Compliance Material to the Financial Statements

1997 - Fines

Finding:

During our test of fines, it was noted that a ticket book had been issued to a police officer who subsequently resigned. However, the ticket book issued was never returned to the Town.

Current status:

The ticket book was not recovered by the Town. However, our test of fines this year did not reveal any tickets that were unaccounted for.

1997 - Purchase Orders

Finding:

During our consideration of the internal control structure, it was noted that in one instance, a purchase order was approved by a department head and the approved purchase order was not properly relayed to Town Hall. Furthermore, the Town paid for the items without the purchase order and never billed the person for use of the materials.

Current status:

Our consideration of the internal control over financial reporting did not reveal any purchase orders not relayed to Town Hall in a timely and proper manner. Furthermore, the item referred to above was corrected once detected and the person was properly billed.

1997 - Segregation of Duties

Finding:

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

TOWN OF IOTA, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 1998

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

Current status:

The inadequate segregation of duties with respect to payroll still exists. The Town will continue to handle payroll in the same manner as before due to the sensitive nature of the personnel information involved. This finding is disclosed in the current schedule of findings and questioned costs as item #98-2.

1997 - Supply Lists

Finding:

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

Current status:

These lists are still not being kept and turned in to Town Hall weekly. This finding is disclosed in the current schedule of findings and questioned costs as item #98-3.

1997 - Budget

Finding:

For the year ended June 30, 1997, actual revenues exceeded budgeted revenues by more than five percent in the General Fund. For the year ended June 30, 1997, actual revenues and expenditures exceeded budgeted revenues and expenditures by more than five percent in the Sales Tax Fund. For the year ended June 30, 1997, actual revenues exceeded budgeted revenues by more than five percent in the Utility Fund.

A similar finding regarding budget compliance is reported as item 98-1 in the current year's schedule of findings and questioned costs.

Recommendation:

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

TOWN OF IOTA, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 1998

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

Current status:

Actual revenues and/or expenditures continue to exceed budgeted revenues and/or expenditures by more than five percent in the General Fund, Sales Tax Fund, and Utility Fund.

1997 - Investments

Finding:

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

Recommendation:

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

Current status:

The Board of Aldermen adopted an investment policy for the Town at a special meeting on December 30, 1997.

1997 - Overtime

Finding:

The Town did not timely pay employees for overtime earned.

Recommendation:

We recommend that the Town pay employees for overtime as earned.

Current status:

The Town pays employees for overtime as it is earned.

TOWN OF IOTA, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 1998

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

1997 - Misuse of Funds

Finding:

During our auditing procedures, it was noted that in some instances, items were purchased by the Town for employees who would then reimburse the Town for the cost of the items. It was further noted that in some cases, reimbursement was not received immediately.

Recommendation:

We recommend that the Town no longer purchase items for employees' personal use.

Current status:

The Town has discontinued this practice and the Town no longer makes purchases for employees.

II. Internal Control and Compliance Material to Federal Awards

In the prior year, the Town did not meet the requirements of OMB Circular A-133.

III. Management Letter

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

TOWN OF IOTA, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 1998

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Passed Through Office of Rural Development:		
Water and Waste Loan and Grant Program (Note 2)	10.760	<u>\$1,003,440</u>
<u>U.S. Department of Justice</u>		
Public Safety Partnership and Community Policing Grant	16.710	<u>\$ 5,407</u>

TOWN OF IOTA, LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 1998

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Iota, Louisiana and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

Note 2. Loan Outstanding

The Town of Iota, Louisiana had the following loan balance outstanding at June 30, 1998. This loan balance outstanding is also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Water and Waste Loan and Grant Program	10.760	<u>\$700,000</u>

Town of Iota



MAYOR:
John D. Sittig
MAYOR PRO-TEM:
R. B. (Toby) Fontenot

MANAGEMENT'S CORRECTIVE ACTION PLAN
Year Ended June 30, 1998

ALDERMEN:
Warren Pousson
Raleigh Miller
Thomas W. Miller
J. D. Leger

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

1997; 98-1 Compliance: Budget

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

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

1997; 98-2 Internal Control: Segregation of Duties

It is recommended that the duties relating to payroll be split between the three office employees in a manner that facilitates an adequate segregation of duties.

Management feels that the private nature of the personnel information precludes a further segregation of duties. Therefore, the Town Clerk will continue to perform the various payroll functions.

1997; 98-3 Internal Control: Supplies Lists

It is recommended that lists be kept of the supplies used from the Town barn and on which jobs they were used and that these lists be submitted to Town Hall each Monday in compliance with the Town Handbook.

The superintendent will be in charge of compiling weekly lists of supplies used and on which job they were used. Those lists will be submitted to Town Hall each week for inspection.

Section II - Internal Control and Compliance Material to Federal Awards

98-4 Compliance - Budget Submission

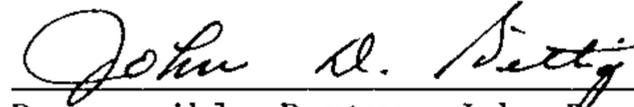
It is recommended that the Town Clerk submit a copy of the Town's fiscal year 1998 budget to the Office of Rural Development to comply with the conditions of their contract.

The Town Clerk will send a copy of the Town's fiscal year 1998 budget to the Office of Rural Development immediately.

MANAGEMENT'S CORRECTIVE ACTION PLAN (Continued)
Year Ended June 30, 1998

Section III - Management Letter

The audit report did not include a management letter.


Responsible Party: John W. Sittig, Mayor