

**TOWN OF  
ABITA SPRINGS, LOUISIANA**

Report on Audit of  
Financial Statements

Fiscal Year Ended  
December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 7/6/11

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## Independent Auditor's Report

To the Honorable Mayor and Board of Aldermen  
Town of Abita Springs, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Abita Springs, Louisiana (the Town), as of and for the year ended December 31, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information presented for the Town's proprietary fund has been derived from the Town's 2009 financial statements and, in our report dated May 19, 2010, we expressed an unqualified opinion on the respective financial statements of the proprietary fund of the Town as of and for the year ended December 31, 2009.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Abita Springs, Louisiana, as of December 31, 2010, and the respective changes in financial position and cash flow, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2011, on our consideration of the Town of Abita Springs, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, beginning on page 4, and the budgetary comparison schedules on pages 39 and 40 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying other supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
A Professional Accounting Corporation

June 14, 2011

**REQUIRED SUPPLEMENTAL INFORMATION (PART I)  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

## TOWN OF ABITA SPRINGS, LOUISIANA

### Management's Discussion and Analysis For the Year Ended December 31, 2010

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As management of the Town of Abita Springs, Louisiana (the Town), we offer readers of the Town this narrative overview and financial analysis of the financial activities of the Town as of December 31, 2010, and for the year then ended.

#### **Overview of Financial Statements**

The Town adopted GASB Statement No. 34 on January 1, 2004. Under this pronouncement, the Town's basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Town's financial position and the results of its operations from differing perspectives, which are described as follows:

#### **Government-Wide Financial Statements**

The government-wide financial statements report information about the Town as a whole using an accounting method similar to that used by private-sector companies. The basis of accounting used is accrual accounting. The government-wide statements reflect all of the Town's assets (including capital assets) and all of the Town's liabilities. The two government-wide financial statements are as follows:

- **Statement of Net Assets:** This statement presents information on all of the Town's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
- **Statement of Activities:** This statement presents information showing how the Town's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

#### **Fund Financial Statements**

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The Town has two types of funds:

1. *Governmental Funds* - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The Town's major governmental funds are the General Fund, Capital Projects Fund and the Debt Service Fund.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2010**

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2. *Proprietary Funds* - These funds are used to account for activities that function in a manner similar to commercial enterprises. Proprietary fund financial statements typically provide a more detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements. The Town's major proprietary fund is the Utility Fund.

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

**Financial Highlights**

At December 31, 2010, the Town's assets exceeded its liabilities by \$3,846,539 (net assets). Of this amount, \$732,402 (unrestricted net assets) may be used to meet the Town's ongoing obligations to its citizen's and creditors. The Town's total net assets increased by \$530,695 for the year ended December 31, 2010.

At December 31, 2010, the Town's governmental funds reported combined ending fund balances of \$1,969,194. Combined governmental fund balance decreased by \$476,109 for the year ended December 31, 2010.

**Financial Analysis of the Town as a Whole**

A condensed version of the government-wide Statement of Net Assets is presented as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>2010</b>	<b>2009</b>
<b>Assets</b>				
Current Assets	\$ 2,314,517	\$ 281,303	\$ 2,595,820	\$ 2,922,423
Other Assets	23,933	324,473	348,406	340,745
Capital Assets	1,982,379	2,503,986	4,486,365	3,782,399
<b>Total Assets</b>	<b>4,320,829</b>	<b>3,109,762</b>	<b>7,430,591</b>	<b>7,045,567</b>
<b>Liabilities</b>				
Current and Other Liabilities	503,247	936,011	1,439,258	1,456,535
Long-Term Liabilities	1,430,055	714,739	2,144,794	2,273,188
<b>Total Liabilities</b>	<b>1,933,302</b>	<b>1,650,750</b>	<b>3,584,052</b>	<b>3,729,723</b>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	458,379	1,754,681	2,213,060	2,051,438
Restricted	760,621	140,456	901,077	710,893
Unrestricted	1,168,527	(436,125)	732,402	553,513
<b>Total Net Assets</b>	<b>\$ 2,387,527</b>	<b>\$ 1,459,012</b>	<b>\$ 3,846,539</b>	<b>\$ 3,315,844</b>



**TOWN OF ABITA SPRINGS, LOUISIANA**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2010**

The amount invested in capital assets, net of related debt, represents 58% of total net assets. Net assets invested in capital assets consist of land, buildings, and equipment less any outstanding debt used to acquire those assets. The Town has elected not to retroactively record, as capital assets, its infrastructure that existed prior to adopting GASB 34.

A condensed version of the government-wide Statement of Activities is presented as follows:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 19,450	\$ 27,446	\$ 1,496,019	\$ 1,417,618	\$ 1,515,469	\$ 1,445,064
Operating Grants	112,468	79,199	-	-	112,468	79,199
Capital Grants and Contributions	197,931	254,469	-	-	197,931	254,469
General Revenues						
Taxes	1,074,147	1,054,800	-	-	1,074,147	1,054,800
Licenses and Permits	151,281	148,512	-	-	151,281	148,512
Fines and Forfeitures	101,612	135,383	-	-	101,612	135,383
Investment Earnings	2,436	4,007	315	628	2,751	4,635
Other	106,383	123,439	16,100	14,400	122,483	137,839
<b>Total Revenues</b>	<b>1,765,708</b>	<b>1,827,255</b>	<b>1,512,434</b>	<b>1,432,646</b>	<b>3,278,142</b>	<b>3,259,901</b>
<b>Expenses</b>						
General Government	1,012,946	918,369	-	-	1,012,946	918,369
Public Safety	290,903	304,667	-	-	290,903	304,667
Hurricane	-	46,474	-	-	-	46,474
Cemetery	3,241	9,218	-	-	3,241	9,218
Culture and Recreation	61,586	121,830	-	-	61,586	121,830
Utilities	-	-	1,488,782	1,464,787	1,488,782	1,464,787
Amortization of Bond Interest Costs	2,085	2,085	-	-	2,085	2,085
Interest on Long-Term Debt	55,939	39,231	40,965	45,628	96,904	84,859
<b>Total Expenses</b>	<b>1,426,700</b>	<b>1,441,874</b>	<b>1,529,747</b>	<b>1,510,415</b>	<b>2,956,447</b>	<b>2,952,289</b>
<b>Changes in Net Assets Before Special Items</b>	<b>339,008</b>	<b>385,381</b>	<b>(17,313)</b>	<b>(77,769)</b>	<b>321,695</b>	<b>307,612</b>
<b>Special Items</b>	<b>-</b>	<b>-</b>	<b>209,000</b>	<b>-</b>	<b>209,000</b>	<b>-</b>
<b>Changes in Net Assets</b>	<b>339,008</b>	<b>385,381</b>	<b>191,687</b>	<b>(77,769)</b>	<b>530,695</b>	<b>307,612</b>
<b>Net Assets, Beginning of Year</b>	<b>2,048,519</b>	<b>1,663,138</b>	<b>1,267,325</b>	<b>1,345,094</b>	<b>3,315,844</b>	<b>3,008,232</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,387,527</b>	<b>\$ 2,048,519</b>	<b>\$ 1,459,012</b>	<b>\$ 1,267,325</b>	<b>\$ 3,846,539</b>	<b>\$ 3,315,844</b>

## **TOWN OF ABITA SPRINGS, LOUISIANA**

### **Management's Discussion and Analysis For the Year Ended December 31, 2010**

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#### **Financial Analysis of the Major Funds**

The Town's General Fund had an increase in fund balance of \$4,223 for the year ended December 31, 2010. The Town's Debt Service Fund had a decrease in fund balance of \$3,933 for the year ended December 31, 2010. The Town's Capital Projects Fund had a decrease of \$635,417 for the year ended December 31, 2010. Total governmental fund amounts are different from governmental activities due to capital assets and long-term debt.

Amounts reported for business-type activities in the Town's individual funds are identical to business-type activities reported in the government-wide presentation.

#### **Budget Highlights**

As required by law, the Town adopted a budget for its General Fund and Cemetery Special Revenue Fund. During the year ended December 31, 2010, the General Fund actual expenditures exceeded budgeted appropriations by \$39,704.

#### **Capital Asset Administration**

For governmental activities, capital assets, net of accumulated depreciation, increased by \$847,076 for the year ended December 31, 2010. This was mainly the result of additions to infrastructure. For business-type activities, capital assets, net of accumulated depreciation, decreased by \$143,109 as a result of depreciation of assets for the year.

#### **Debt Administration**

The Town's total long-term debt decreased by \$300,046 during the year ended December 31, 2010. This was the result of the Town issuing a certificate of indebtedness totaling \$116,000, regularly scheduled debt payments totaling \$207,046, and forgiveness of a Community Disaster Loan totaling \$209,000.

#### **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances. Questions concerning this report or the need of additional information should be directed to Jennifer Oalmann, Municipal Clerk, P.O. Box 461, Abita Springs, Louisiana 70420.

**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Statement of Net Assets**  
**December 31, 2010**

**Statement A**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,130,948	\$ 61,801	\$ 1,192,749
Cash - Construction	-	23,544	23,544
Equity in Pooled Cash	678,670	657	679,327
Receivables, Net	504,899	189,356	694,255
Prepaid Insurance	-	5,945	5,945
Bond Issuance Cost, Net	23,933	5,932	29,865
Cash and Cash Equivalents - Restricted	-	318,541	318,541
Capital Assets, Net	1,982,379	2,503,986	4,486,365
<b>Total Assets</b>	<b>4,320,829</b>	<b>3,109,762</b>	<b>7,430,591</b>
<b>Liabilities</b>			
Accounts Payable	188,260	114,655	302,915
Pooled Cash in Other Funds	147,823	531,504	679,327
Accrued Expenses	9,240	-	9,240
Deferred Revenue	-	50,000	50,000
Accrued Interest Payable	18,924	11,979	30,903
Meter Deposits	-	117,307	117,307
Compensated Absences	45,055	-	45,055
Capital Leases Payable			
Due in One Year	-	34,566	34,566
Due in More than One Year	-	15,739	15,739
Bonds Payable			
Due in One Year	128,000	67,000	195,000
Due in More than One Year	1,280,000	690,000	1,970,000
Certificates of Indebtedness			
Due in One Year	11,000	9,000	20,000
Due in More than One Year	105,000	9,000	114,000
<b>Total Liabilities</b>	<b>1,933,302</b>	<b>1,650,750</b>	<b>3,584,052</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	458,379	1,754,681	2,213,060
Restricted	760,621	140,456	901,077
Unrestricted	1,168,527	(436,125)	732,402
<b>Total Net Assets</b>	<b>\$ 2,387,527</b>	<b>\$ 1,459,012</b>	<b>\$ 3,846,539</b>

The accompanying notes are an integral part of these financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Statement of Activities**  
**For the Year Ended December 31, 2010**

**Statement B**

Functions / Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Assets		
	Expenses	Operating		Capital	Governmental Activities	Business-Type Activities	Total
		Charges for Services	Grants and Contributions	Grants and Contributions			
<b>Governmental Activities</b>							
General Government	\$1,012,946	\$ 13,450	\$ -	\$ 197,931	\$ (801,565)	\$ -	\$ (801,565)
Public Safety	290,903	-	-	-	(290,903)	-	(290,903)
Hurricane	-	-	112,468	-	112,468	-	112,468
Cemetery	3,241	6,000	-	-	2,759	-	2,759
Culture and Recreation	61,586	-	-	-	(61,586)	-	(61,586)
Amortization of Bond Issuance Cost	2,085	-	-	-	(2,085)	-	(2,085)
Interest on Long-Term Debt	55,939	-	-	-	(55,939)	-	(55,939)
<b>Total Governmental Activities</b>	<b>1,426,700</b>	<b>19,450</b>	<b>112,468</b>	<b>197,931</b>	<b>(1,096,851)</b>	<b>-</b>	<b>(1,096,851)</b>
<b>Business-Type Activities</b>							
Utilities	1,488,782	1,496,019	-	-	-	7,237	7,237
Interest on Long-Term Debt	40,965	-	-	-	-	(40,965)	(40,965)
<b>Total Business-Type Activities</b>	<b>1,529,747</b>	<b>1,496,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33,728)</b>	<b>(33,728)</b>
<b>Total</b>	<b>\$2,956,447</b>	<b>\$ 1,515,469</b>	<b>\$ 112,468</b>	<b>\$ 197,931</b>	<b>(1,096,851)</b>	<b>(33,728)</b>	<b>(1,130,579)</b>
<b>General Revenues</b>							
<b>Taxes</b>							
Property Taxes					294,672	-	294,672
Franchise Taxes					108,386	-	108,386
Sales Taxes					665,238	-	665,238
Other Taxes					5,851	-	5,851
Licenses and Permits					53,160	-	53,160
Fines and Forfeitures					101,612	-	101,612
Insurance Licenses					98,121	-	98,121
Investment Earnings					2,436	315	2,751
Other General Revenues					106,383	16,100	122,483
<b>Special Items</b>					-	209,000	209,000
<b>Total General Revenues</b>					<b>1,435,859</b>	<b>225,415</b>	<b>1,661,274</b>
<b>Change in Net Assets</b>					<b>339,008</b>	<b>191,687</b>	<b>530,695</b>
<b>Net Assets, Beginning of Year</b>					<b>2,048,519</b>	<b>1,267,325</b>	<b>3,315,844</b>
<b>Net Assets, End of Year</b>					<b>\$ 2,387,527</b>	<b>\$ 1,459,012</b>	<b>\$ 3,846,539</b>

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS**

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2010**

**Statement C**

	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and Cash Equivalents	\$ 632,567	\$ 182,169	\$ 973	\$ 315,239	\$ 1,130,948
Equity in Pooled Cash	590,223	52,087	-	36,360	678,670
Receivables					
Property Taxes, Net	139,918	84,708	-	52,335	276,961
Sales Taxes	53,132	-	-	-	53,132
Grant	146,860	-	-	-	146,860
Other	27,946	-	-	-	27,946
Due from Other Funds	-	-	-	33,725	33,725
<b>Total Assets</b>	<b>\$ 1,590,646</b>	<b>\$ 318,964</b>	<b>\$ 973</b>	<b>\$ 437,659</b>	<b>\$ 2,348,242</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 188,260	\$ -	\$ -	\$ -	\$ 188,260
Accrued Expenses	9,240	-	-	-	9,240
Pooled Cash in Other Funds	147,432	-	391	-	147,823
Due to Other Funds	33,725	-	-	-	33,725
<b>Total Liabilities</b>	<b>378,657</b>	<b>-</b>	<b>391</b>	<b>-</b>	<b>379,048</b>
<b>Fund Balances</b>					
Unreserved, Reported in:					
General Fund	1,208,573	-	-	-	1,208,573
Reserved, Reported in:					
Special Revenue Funds	-	-	-	419,260	419,260
Reserved for Sales Tax District No.3	3,416	-	-	-	3,416
Reserved for Capital Outlay	-	-	582	-	582
Reserved for Debt Service	-	318,964	-	18,399	337,363
<b>Total Fund Balances</b>	<b>1,211,989</b>	<b>318,964</b>	<b>582</b>	<b>437,659</b>	<b>1,969,194</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,590,646</b>	<b>\$ 318,964</b>	<b>\$ 973</b>	<b>\$ 437,659</b>	<b>\$ 2,348,242</b>

The accompanying notes are an integral part of these financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Assets**  
**December 31, 2010**

**Statement D**

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<b>Fund Balances - Total Governmental Funds</b>	<b>\$ 1,969,194</b>
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Governmental Capital Assets	2,399,490
Less: Accumulated Depreciation	(417,111)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bond Issuance Cost, Net	23,933
Accrued Interest	(18,924)
Compensated Absences	(45,055)
Certificates of Indebtedness	(116,000)
Bonds Payable	<u>(1,408,000)</u>

<b>Net Assets of Governmental Activities</b>	<b><u>\$ 2,387,527</u></b>
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The accompanying notes are an integral part of these financial statements.



**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2010**

**Statement E**

	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes					
Property Taxes	\$ 146,245	\$ 91,435	\$ -	\$ 56,992	\$ 294,672
Franchise Taxes	108,386	-	-	-	108,386
Sales Taxes	665,238	-	-	-	665,238
Other	5,851	-	-	-	5,851
Licenses and Permits	53,160	-	-	-	53,160
Intergovernmental Grants	194,431	-	-	-	194,431
Insurance Licenses	98,121	-	-	-	98,121
Rentals	13,450	-	-	-	13,450
Fines and Forfeitures	101,612	-	-	-	101,612
FEMA Reimbursements	112,468	-	-	-	112,468
Donations	3,500	-	-	-	3,500
Sale of Cemetery Plots	-	-	-	6,000	6,000
Interest Income	1,311	250	565	310	2,436
Other Revenues	102,633	-	-	3,750	106,383
<b>Total Revenues</b>	<b>1,606,406</b>	<b>91,685</b>	<b>565</b>	<b>67,052</b>	<b>1,765,708</b>
<b>Expenditures</b>					
General Government	928,910	3,490	13,882	16,832	963,114
Public Safety	233,866	-	-	-	233,866
Clerk of Court	57,037	-	-	-	57,037
Cemetery	-	-	-	3,241	3,241
Culture and Recreation	34,193	-	-	22,331	56,524
Capital Outlay	274,698	-	622,100	-	896,798
Debt Service					
Principal	-	61,000	-	32,000	93,000
Interest	-	31,128	-	23,109	54,237
<b>Total Expenditures</b>	<b>1,528,704</b>	<b>95,618</b>	<b>635,982</b>	<b>97,513</b>	<b>2,357,817</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>77,702</b>	<b>(3,933)</b>	<b>(635,417)</b>	<b>(30,461)</b>	<b>(592,109)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	-	73,479	73,479
Transfers Out	(73,479)	-	-	-	(73,479)
Proceeds of Debt	-	-	-	116,000	116,000
<b>Total Other Financing Sources (Uses), Net</b>	<b>(73,479)</b>	<b>-</b>	<b>-</b>	<b>189,479</b>	<b>116,000</b>
<b>Net Change in Fund Balances</b>	<b>4,223</b>	<b>(3,933)</b>	<b>(635,417)</b>	<b>159,018</b>	<b>(476,109)</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,207,766</b>	<b>322,897</b>	<b>635,999</b>	<b>278,641</b>	<b>2,445,303</b>
<b>Fund Balances, End of Year</b>	<b>\$ 1,211,989</b>	<b>\$ 318,964</b>	<b>\$ 582</b>	<b>\$ 437,659</b>	<b>\$ 1,969,194</b>

The accompanying notes are an integral part of these financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Government-Wide Statement of Activities**  
**For the Year Ended December 31, 2010**

**Statement F**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (476,109)</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	847,076
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which proceeds exceeded repayments.	(23,000)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(6,874)
Governmental funds report bond issuance costs as expenditures. However, in the Statement of Activities, the cost of issuance is allocated over the bond life through amortization expense. This is the amount by which amortization exceeded bond issuance expense in the current period.	<u>(2,085)</u>

<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ 339,008</u></b>
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The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
PROPRIETARY FUND**

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Statements of Net Assets**  
**Proprietary Fund**  
**December 31, 2010 and 2009**

**Statement G**

	2010	2009
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 61,801	\$ 53,333
Accounts Receivable, Net	189,356	194,549
Prepaid Insurance	5,945	3,093
<b>Total Current Assets</b>	<b>257,102</b>	<b>250,975</b>
<b>Restricted Assets</b>		
Cash and Cash Equivalents	318,541	306,725
Cash - Construction	23,544	21,082
Equity in Pooled Cash	657	657
<b>Total Restricted Assets</b>	<b>342,742</b>	<b>328,464</b>
<b>Long-Term Assets</b>		
Capital Assets, Net	2,503,986	2,647,095
<b>Total Long-Term Assets</b>	<b>2,503,986</b>	<b>2,647,095</b>
<b>Other Assets</b>		
Bond Issuance Cost, Net	5,932	8,003
<b>Total Assets</b>	<b>3,109,762</b>	<b>3,234,537</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	114,655	85,920
Pooled Cash in Other Funds	531,504	607,914
Deferred Revenue	50,000	-
Community Disaster Loan	-	209,000
Capital Leases, Current Portion	34,566	41,046
<b>Total Current Liabilities</b>	<b>730,725</b>	<b>943,880</b>
<b>Current Liabilities (Payable from Restricted Assets)</b>		
Accrued Interest Payable	11,979	12,858
Revenue Bonds Payable, Current Portion	67,000	64,000
Certificates of Indebtedness, Current Portion	9,000	9,000
Customer Meter Deposits	117,307	112,169
<b>Total Current Liabilities (Payable from Restricted Assets)</b>	<b>205,286</b>	<b>198,027</b>
<b>Non-Current Liabilities</b>		
Capital Leases, Net of Current Portion	15,739	50,305
Revenue Bonds, Net of Current Portion	690,000	757,000
Certificates of Indebtedness, Net of Current Portion	9,000	18,000
<b>Total Non-Current Liabilities</b>	<b>714,739</b>	<b>825,305</b>
<b>Total Liabilities</b>	<b>1,650,750</b>	<b>1,967,212</b>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	1,754,681	1,780,744
Restricted Net Assets	140,456	109,355
Unrestricted Net Assets	(436,125)	(622,774)
<b>Total Net Assets</b>	<b>\$ 1,459,012</b>	<b>\$ 1,267,325</b>

The accompanying notes are an integral part of these financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Statements of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Fund**  
**For the Years Ended December 31, 2010 and 2009**

**Statement H**

	2010	2009
<b>Operating Revenues</b>		
Charges for Services		
Gas Sales	\$ 619,033	\$ 537,647
Water Sales	180,484	178,590
Sewer Service Charges	337,198	336,477
Garbage Collection Fees	239,760	238,248
Impact Fees	26,000	19,750
Miscellaneous and Other Fees	93,544	106,906
<b>Total Operating Revenues</b>	<b>1,496,019</b>	<b>1,417,618</b>
<b>Operating Expenses</b>		
Administrative and General	180,822	169,247
Gas Purchased	327,013	325,484
Gas System	164,578	154,587
Water System	196,879	196,325
Sewerage System	254,961	255,712
Garbage Collection	219,349	212,621
Depreciation	143,109	148,740
Amortization of Bond Issuance Cost	2,071	2,071
<b>Total Operating Expenses</b>	<b>1,488,782</b>	<b>1,464,787</b>
<b>Operating Income (Loss)</b>	<b>7,237</b>	<b>(47,169)</b>
<b>Non-Operating Revenues (Expenses)</b>		
Cell Tower Lease	16,100	14,400
Interest Expense	(40,965)	(45,628)
Interest Income	315	628
<b>Total Non-Operating Revenues (Expenses), Net</b>	<b>(24,550)</b>	<b>(30,600)</b>
<b>Net Loss Before Special Items</b>	<b>(17,313)</b>	<b>(77,769)</b>
<b>Special Item - Forgiveness of Community Disaster Loan</b>	<b>209,000</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>191,687</b>	<b>(77,769)</b>
<b>Net Assets, Beginning of Year</b>	<b>1,267,325</b>	<b>1,345,094</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,459,012</b>	<b>\$ 1,267,325</b>

The accompanying notes are an integral part of these financial statements.

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Statements of Cash Flows**  
**Proprietary Fund**  
**For the Years Ended December 31, 2010 and 2009**

**Statement I**

	2010	2009
<b>Cash Flows from Operating Activities</b>		
Receipts from Customers and Users	\$ 1,551,212	\$ 1,403,715
Payments to Suppliers	(1,118,583)	(1,127,553)
Payments to Employees	(199,136)	(189,582)
<b>Net Cash Provided by Operating Activities</b>	<b>233,493</b>	<b>86,580</b>
<b>Cash Flows from Non-Capital Financing Activities</b>		
Increase in Meter Deposits	5,138	2,023
Interfund Borrowings	(76,410)	85,836
<b>Net Cash (Used in) Provided by Non-Capital Financing Activities</b>	<b>(71,272)</b>	<b>87,859</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Receipts from Tower Lease	16,100	14,400
Interest Paid on Leases, Bonds and Certificates	(41,844)	(46,519)
Principal Paid on Capital Leases	(41,046)	(38,965)
Principal Paid on Bonds and Certificates	(73,000)	(70,000)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(139,790)</b>	<b>(141,084)</b>
<b>Cash Flows from Investing Activities</b>		
Interest Earned on Investments and Certificates	315	628
<b>Net Cash Provided by Investing Activities</b>	<b>315</b>	<b>628</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>22,746</b>	<b>33,983</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>381,140</b>	<b>347,157</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 403,886</b>	<b>\$ 381,140</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>		
Operating Income (Loss)	\$ 7,237	\$ (47,169)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities		
Depreciation	143,109	148,740
Amortization of Bond Issuance Cost	2,071	2,071
Changes in Assets and Liabilities		
Decrease (Increase) in Accounts Receivable	5,193	(13,903)
(Increase) Decrease in Prepaid Insurance	(2,852)	16,139
Increase (Decrease) in Accounts Payable	28,735	(19,298)
Increase in Deferred Revenue	50,000	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 233,493</b>	<b>\$ 86,580</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>		
Forgiveness of Community Disaster Loan	\$ 209,000	\$ -

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

## TOWN OF ABITA SPRINGS, LOUISIANA

### Notes to Financial Statements

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#### Introduction

The Town of Abita Springs, Louisiana (the Town) was incorporated in 1914, under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Abita Springs, Louisiana conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body in establishing governmental accounting and financial reporting principles. The following is a summary of certain significant accounting policies.

#### Note 1. Summary of Significant Accounting Policies

##### Reporting Entity

The Town's basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name).
- The Town holds the corporate powers of the organization.
- The Town appoints a voting majority of the organization's board.
- The Town is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the Town.
- There is a fiscal dependency by the organization on the Town.

Based on the aforementioned criteria, the Town has no component units.

##### Government-Wide and Fund Financial Statements

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

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

Separate fund financial statements are provided for the Town's governmental funds and proprietary fund.



## TOWN OF ABITA SPRINGS, LOUISIANA

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the Town. This fund is used to account for all financial transactions and resources except those that are required to be accounted for in another fund. Revenues are derived primarily from sales, property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

**Capital Projects Fund** - The Capital Projects Fund is used to account for the construction of infrastructure and public works.

The Town uses a proprietary fund to account for the natural gas, water, sewer, and garbage collection services it provides to the residents and businesses of the Town.

## TOWN OF ABITA SPRINGS, LOUISIANA

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Private-sector standards of accounting and financial reporting, issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and proprietary funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues for the Town's proprietary fund consist of charges to customers and users of its natural gas, water, sewer and garbage collection services. Operating expenses for the Town's proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

##### **Budgets and Budgetary Accounting**

At the beginning of each fiscal year, an annual budget is prepared. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The Town does not use encumbrance accounting. At the end of the fiscal year, unexpended appropriations of these funds automatically lapse. The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Mayor, Board of Aldermen, Town Clerk, and other advisory personnel assemble the necessary financial information.
- b. The proposed budget is made available for public inspection.
- c. A public hearing is held for any recommendations or changes to the budget. The budget is legally adopted through passage of an ordinance by the Board of Aldermen.

During the year ended December 31, 2010, the Town amended its General Fund budget.

## TOWN OF ABITA SPRINGS, LOUISIANA

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Cash, Cash Equivalents and Investments**

Cash balances of all funds are combined to the extent possible. Interest earned on deposits is distributed to the individual funds based on the investment balances of the participating funds during the year. Each fund's portion of the pooled cash is included in equity or deficit in pooled cash on the accompanying financial statements.

For the purpose of the proprietary fund Statement of Cash Flows, all highly liquid investments (including certificate of deposits) with maturity of three months or less when purchased are considered to be cash equivalents.

Cash and cash equivalents include amounts in demand deposits. Under state law, the Town may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Town may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Town may invest in United States bonds, treasury notes, repurchase agreements, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Short-term investments are stated at amortized cost, which approximates market. Certain investments, as required by GASB 31, are reported at fair value, which is determined using published market prices.

##### **Sales Taxes**

The Town imposes a two-percent sales and use tax. One and one half-percent of this tax is designated for general Town purposes. One half percent of this tax is designated for the Town's law enforcement services. The Town accounts for all of its sales taxes in the General Fund.

##### **Deferred Revenue**

Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenues is removed and revenue recognized.

## TOWN OF ABITA SPRINGS, LOUISIANA

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Compensated Absences**

Employees accrue vacation leave at the rate of 5 to 15 days per year, according to years of service with the Town. Unused vacation lapses at the employees' anniversary date. Employees accrue sick leave of up to 10 days per year, according to years of service with the Town. Employees are allowed to carry forward unused sick leave from year to year. Upon termination, or at retirement, employees are paid for unused sick leave at the discretion of the Town. At retirement, employees are paid for all accrued vacation leave. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is to be reported as an expenditure and a fund liability of the General Fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are to be reported in the government-wide Statement of Net Assets.

##### **Long-Term Debt**

In the government-wide financial statements, debt principal payments of both governmental and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

##### **Accounts Receivable**

Outstanding balances between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/ due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectibility of the particular receivable. The allowance is \$70,870 at December 31, 2010.

##### **Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost, or estimated cost if historical costs are not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$2,500 or more for capitalizing equipment, furniture and fixtures. The threshold for infrastructure and improvements is \$25,000.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Capital Assets (Continued)**

Capital outlays are recorded as expenditures in the governmental fund financial statements and as assets in the government-wide financial statements. In accordance with GASB 34, the Town has elected not to capitalize infrastructure retroactively. Depreciation is recorded on general fixed assets on a government-wide basis. Capital outlays of the proprietary funds are recorded as fixed assets and depreciated over their estimated useful lives on both the fund basis and the government-wide basis.

All capital assets, other than land and works of art that are inexhaustible, are depreciated using the straight-line method over the following useful lives:

<b>Description</b>	<b>Estimated Lives</b>
Infrastructure	40 Years
Buildings and Improvements	20 - 40 Years
Utility Systems	30 - 40 Years
Furniture and Fixtures	7 Years
Vehicles	5 Years
Equipment	3 - 15 Years

**Fund Equity**

*Government-Wide and Proprietary Fund Statements*

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt - Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."
3. Restricted net assets - Net assets with constraints placed on the use either by:
  - a. External groups such as creditors, grantors, contributors, or laws or regulations of other governments.
  - b. Law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Town's policy is to apply restricted net assets first.

## TOWN OF ABITA SPRINGS, LOUISIANA

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Fund Equity (Continued)**

###### *Governmental Fund Statements*

Governmental fund equity is classified as fund balance. Fund balance is reported as either reserved or unreserved. Reserved fund balance is the portion of the fund balance which is not available for appropriation.

##### **Interfund Transactions**

Permanent re-allocation of resources between funds of the Town is classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

##### **Use of Estimates**

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

#### Note 2. Stewardship, Compliance and Accountability

##### **Deposit and Investment Laws and Regulations**

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. At December 31, 2010, the Town was in compliance with the deposit and investment laws and regulations.

#### Note 3. Cash and Cash Equivalents

##### **Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2010, \$1,367,870 of the Town's bank balance of \$1,618,479 was exposed to custodial credit risk. However, these deposits are secured from risk by the pledge of securities owned by the fiscal agent bank.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to Financial Statements**

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**Note 3. Cash and Cash Equivalents (Continued)**

The following is a reconciliation of cash and cash equivalents per the Statement of Net Assets of the Proprietary Fund to the cash and cash equivalents per the Statement of Cash Flows:

Cash and Cash Equivalents per Balance Sheet:	
Cash on Hand and in Bank	\$ 61,801
Restricted:	
Cash Construction	23,544
Bond Sinking	61,155
Bond Reserve	66,201
Capital Additions and Contingency	66,989
Sewer Debt Service	1,460
Meter Deposits	<u>122,736</u>
Total Restricted	<u>342,085</u>
<b>Total Cash and Cash Equivalents Per Statement of Cash Flows</b>	<b><u>\$ 403,886</u></b>

**Note 4. Receivables**

The net receivables at December 31, 2010, are as follows:

	General Fund	Debt Service Funds	Special Revenue Funds	Proprietary Fund	Total
Taxes					
Property	\$ 139,918	\$ 84,708	\$ 52,335	\$ -	\$ 276,961
Sales and Use	53,132	-	-	-	53,132
Grant	146,860	-	-	-	146,860
Other	27,946	-	-	-	27,946
Utility Accounts	-	-	-	189,356	189,356
<b>Total</b>	<b><u>\$ 367,856</u></b>	<b><u>\$ 84,708</u></b>	<b><u>\$ 52,335</u></b>	<b><u>\$ 189,356</u></b>	<b><u>\$ 694,255</u></b>

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Total allowance for doubtful accounts amounted to \$70,870 for the business-type activities.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to Financial Statements**

**Note 5. Property Taxes**

Property taxes are normally levied and billed in November of each year and are due by December 31<sup>st</sup> of the year levied. Revenues are recognized when levied to the extent they are determined to be currently collectible. Property taxes are billed and collected using the assessed values determined by the Tax Assessor of St. Tammany Parish. The property taxes receivable are recorded net of allowance of \$50,329 on the accompanying Balance Sheet. For the year ended December 31, 2010, the Town levied taxes of 7.86 mills for general purposes, 5.00 mills for debt service, 1.00 mill for town lighting, and 2.00 mills for parks and playground expenditures.

**Note 6. Capital Assets**

The following is a summary of the changes in capital assets for the fiscal year ended December 31, 2010:

	Balance January 1, 2010	Increases	Decreases	Balance December 31, 2010
<b>Governmental Activities</b>				
<b>Capital Assets Not Depreciated</b>				
Works of Art	\$ 40,000	\$ -	\$ -	\$ 40,000
Land	160,389	-	-	160,389
<b>Total Capital Assets Not Depreciated</b>	<b>200,389</b>	<b>-</b>	<b>-</b>	<b>200,389</b>
<b>Capital Assets Being Depreciated</b>				
Infrastructure	537,926	863,973	-	1,401,899
Culture and Recreation	202,490	-	-	202,490
Machinery and Equipment	147,472	32,825	-	180,297
Office Equipment and Furniture	18,989	-	-	18,989
Buildings and Improvements	388,239	-	-	388,239
Police Machinery and Equipment	4,485	-	-	4,485
Police Furniture and Fixtures	2,702	-	-	2,702
<b>Total Capital Assets Being Depreciated</b>	<b>1,302,303</b>	<b>896,798</b>	<b>-</b>	<b>2,199,101</b>
<b>Accumulated Depreciation for:</b>				
Infrastructure	(42,938)	(20,001)	-	(62,939)
Culture and Recreation	(6,427)	(5,062)	-	(11,489)
Machinery and Equipment	(97,586)	(17,320)	-	(114,906)
Office Equipment and Furniture	(13,033)	(2,798)	-	(15,831)
Buildings and Improvements	(200,218)	(4,541)	-	(204,759)
Police Machinery and Equipment	(4,485)	-	-	(4,485)
Police Furniture and Fixtures	(2,702)	-	-	(2,702)
<b>Total Accumulated Depreciation</b>	<b>(367,389)</b>	<b>(49,722)</b>	<b>-</b>	<b>(417,111)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>934,914</b>	<b>847,076</b>	<b>-</b>	<b>1,781,990</b>
<b>Total Capital Assets, Net</b>	<b>\$ 1,135,303</b>	<b>\$ 847,076</b>	<b>\$ -</b>	<b>\$ 1,982,379</b>



TOWN OF ABITA SPRINGS, LOUISIANA

Notes to Financial Statements

**Note 6. Capital Assets (Continued)**

Depreciation was charged to governmental functions as follows:

General Governmental	\$ 44,660
Culture and Recreation	<u>5,062</u>
<b>Total</b>	<u><u>\$ 49,722</u></u>

	Balance January 1, 2009	Increases	Decreases	Balance December 31, 2010
<b><u>Business-Type Activities</u></b>				
<b>Capital Assets Being Depreciated</b>				
Gas Distribution System	\$ 49,993	\$ -	\$ -	\$ 49,993
Water Distribution System	1,574,650	-	-	1,574,650
Sewer Plant and Lines	2,723,319	-	-	2,723,319
Automobiles	23,600	-	-	23,600
Machinery and Equipment	285,032	-	-	285,032
Buildings and Improvements	35,808	-	-	35,808
<b>Total Capital Assets Being Depreciated</b>	<u>4,692,402</u>	-	-	<u>4,692,402</u>
<b>Accumulated Depreciation for:</b>				
Gas Distribution System	(17,286)	(1,511)	-	(18,797)
Water Distribution System	(722,224)	(31,732)	-	(753,956)
Sewer Plant and Lines	(1,140,099)	(70,935)	-	(1,211,034)
Automobiles	(18,470)	(2,615)	-	(21,085)
Machinery and Equipment	(140,960)	(35,122)	-	(176,082)
Buildings and Improvements	(6,268)	(1,194)	-	(7,462)
<b>Total Accumulated Depreciation</b>	<u>(2,045,307)</u>	<u>(143,109)</u>	-	<u>(2,188,416)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>\$ 2,647,095</u>	<u>\$ (143,109)</u>	<u>\$ -</u>	<u>\$ 2,503,986</u>

## TOWN OF ABITA SPRINGS, LOUISIANA

### Notes to Financial Statements

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#### Note 7. Employee Pension Plan

##### **Municipal Employees Retirement System of Louisiana (MERS)**

###### **Plan Description and Provisions**

All of the Town's full-time employees participate in the MERS, a multiple-employer, cost sharing pension plan.

Employees can retire providing they meet one of the following criteria:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Under age 60 with ten (10) years of creditable service eligible for disability benefits.
4. Survivor's benefits require twenty (20) years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member shall consist of an amount equal to 3% of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

If a member's employment is terminated before the member is eligible for any benefits under MERS, the member shall receive a refund of his member contributions.

###### **Description of Funding Policy**

The System's contribution requirements are actuarially determined. The contribution requirements are currently established by statute. As of December 31, 2010, the statutory rates were 9.25% member contribution and 13.75% employer contribution of the total covered payroll. The Town's contribution requirement for the years ended December 31, 2010, 2009 and 2008, was \$55,574, \$55,979 and \$54,150, respectively, which equals the required contributions for each year.

###### **Trend Information**

Five-year historical trend information, presenting the MERS' progress in accumulating sufficient assets to pay benefits when due, is presented in the MERS June 30, 2010 annual financial report. That report may be obtained by writing to MERS at 7937 Office Park Blvd., Baton Rouge, LA 70809.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to Financial Statements**

**Note 8. Long Term Debt**

The following is a summary of long-term debt activity for the year ended December 31, 2010:

	Governmental Activities		Business-Type Activities				Total
	General Obligation Bonds	Certificates of Indebtedness	Revenue Bonds	Certificates of Indebtedness	Note Payable	Capital Lease	
Balance January 1, 2010	\$ 1,501,000	\$ -	\$ 821,000	\$ 27,000	\$ 209,000	\$ 91,351	\$ 2,649,351
Additions	-	116,000	-	-	-	-	116,000
Reductions	(93,000)	-	(61,000)	(9,000)	(209,000)	(41,046)	(418,046)
Balance December 31, 2010	\$ 1,408,000	\$ 116,000	\$ 757,000	\$ 18,000	\$ -	\$ 50,305	\$ 2,349,305
Due within One Year	\$ 128,000	\$ 11,000	\$ 67,000	\$ 9,000	\$ -	\$ 34,566	\$ 249,566

The Town applied for forgiveness of the Community Disaster Loan (listed as a note payable in the above table) in January 2011. The Town made no payments on the balance of the loan initially due in November 2010. On April 8, 2011, the Town received notice from the U.S. Department of Homeland Security Federal Emergency Management Agency approving the forgiveness of the loan. As such, the Town recorded the reduction of the note at December 31, 2010.

General obligation bonds are secured by an annual property tax levy. In accordance with Louisiana Revised Statute 39:562, the Town is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property in the municipality. At December 31, 2010, the Town had not exceeded this statutory limit. As of December 31, 2010, there is \$318,964 available in the Debt Service Fund and \$18,399 in the 2010 Debt Service Fund to service the general obligation bonds.

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to Financial Statements**

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**Note 8. Long Term Debt (Continued)**

Long-term debt was composed of the following at December 31, 2010:

**General Obligation Bonds**

\$400,000	General Obligation Bond Series 2001, due in annual installments through March 2016; interest paid semi-annually ranging from 2.5% to 4.12%; secured by ad valorem tax.	\$ 260,000
\$250,000	Refunding General Obligation Bonds Series 2005, due in annual installments through March 2015; interest paid semi-annually ranging from 3% to 4.75%; secured by ad valorem tax.	114,000
\$450,000	General Obligation Bonds Series 2005, due in annual installments through September 2020; interest paid semi-annually at 2.95%; secured by ad valorem tax.	420,000
\$646,000	Limited Tax Revenue Bonds Series 2009, due in annual installments through September 2024; interest paid semi-annually ranging from 2.5% to 5.25%; secured by ad valorem tax.	<u>614,000</u>
		<u>\$ 1,408,000</u>

**Revenue Bonds**

\$600,000	Utility Bonds dated July 8, 1998, due in annual installments through May 1 2018; including interest from 4% to 5%; secured by revenues of the Utility System.	\$ 324,000
\$350,000	Utility Refunding Bonds dated January 8, 2004, due in annual installments through March 1, 2030; including interest from 3% to 5.25%; secured by revenues of the Utility System.	298,000
\$ 250,000	Utility Bonds dated December 1, 2004, due in annual installments through June 1, 2015; including interest at 4%; secured by revenues of the Utility System.	<u>135,000</u>
		<u>\$ 757,000</u>

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to Financial Statements**

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**Note 8. Long Term Debt (Continued)**

**Certificates of Indebtedness**

\$ 116,000	Certificate of Indebtedness dated September 30, 2010, due in annual installments through March 1, 2019; interest paid semi-annually ranging from 2.5% to 4%; secured by excess revenues.	\$ 116,000
\$ 80,000	Certificate of Indebtedness dated December 13, 2002; due in annual installments through November 1, 2012; interest paid semi-annually at 4%; secured by excess revenues.	<u>18,000</u>
		<u>\$ 134,000</u>

**Capital Leases**

\$ 66,969	Capital Lease dated August 5, 2006, due in 60 monthly installments of \$1,239 with interest at 4.2%; secured by a piece of equipment with a book value of \$24,794 at December 31, 2010.	\$ 8,556
\$ 80,498	Capital Lease dated June 20, 2007, due in 60 monthly installments of \$1,540 with interest at 5.75%; secured by a piece of equipment with a book value of \$39,291 at December 31, 2010.	25,077
\$ 41,659	Capital Lease dated August 8, 2008, due in 48 monthly installments of \$969 with interest at 5.75%; secured by a piece of equipment with a book value of \$27,773 at December 31, 2010.	<u>16,672</u>
		<u>\$ 50,305</u>

**TOWN OF ABITA SPRINGS, LOUISIANA**

**Notes to Financial Statements**

**Note 8. Long Term Debt (Continued)**

Annual debt service requirements of long-term debt are as follows:

	General Obligation Bonds		Certificates of Indebtedness		Revenue Bonds		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Year Ending December 31,								
2011	\$ 128,000	\$ 52,006	\$ 20,000	\$ 3,810	\$ 67,000	\$ 34,260	\$ 34,566	\$ 2,065
2012	133,000	47,292	20,000	3,520	71,000	31,523	15,739	237
2013	139,000	42,287	12,000	2,915	74,000	28,521	-	-
2014	149,000	37,083	13,000	2,634	78,000	25,050	-	-
2015	129,000	31,655	13,000	2,330	81,000	21,256	-	-
2016 to 2020	516,000	99,177	56,000	4,531	203,000	65,628	-	-
2021 to 2025	214,000	27,410	-	-	80,000	37,740	-	-
2026 to 2030	-	-	-	-	103,000	13,991	-	-
<b>Total</b>	<b>\$ 1,408,000</b>	<b>\$ 336,910</b>	<b>\$ 134,000</b>	<b>\$ 19,740</b>	<b>\$ 757,000</b>	<b>\$ 257,969</b>	<b>\$ 50,305</b>	<b>\$ 2,302</b>

**Note 9. Excess of Expenditures over Appropriations**

During the year ended December 31, 2010, the General Fund's actual expenditures of \$1,528,704 exceeded its budgeted appropriations of \$1,489,000, resulting in an unfavorable variance of \$39,704.

**Note 10. Intergovernmental Agreement**

The Town entered into an intergovernmental agreement with St. Tammany Parish, Louisiana, effective December 21, 2006, for the sharing of sales tax revenue generated in Sales Tax District No. 3. Proceeds from the tax shall be used for projects that benefit residents of Sales Tax District No. 3. As of December 31, 2010, \$3,416 was reserved for use in Sales Tax District No. 3.

## TOWN OF ABITA SPRINGS, LOUISIANA

### Notes to Financial Statements

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#### Note 11. Restricted Assets

The Town has approved resolutions authorizing the issuance of \$600,000 of Utility Revenue Bonds dated July 8, 1998, \$350,000 in Utility Refunding Bonds dated January 8, 2004, and \$250,000 of Utility Revenue Bonds dated December 1, 2004. Each of the resolutions provide for certain restrictions on assets of the Proprietary Fund. The following reserve requirements have been met for the year ended December 31, 2010:

1. Revenue Bond Sinking Fund  
The resolution called for the establishment and maintenance of a Utilities Revenue Bond and Sinking Fund sufficient in amount to pay promptly and in full the principal of and the interest on bonds authorized as they become due and payable.
2. Revenue Bond Reserve Fund  
The resolution called for the establishment of a Revenue Bond Reserve Fund by depositing with the designated fiscal agent bank of the Town until such time as there has been accumulated in said Reserve Fund a sum equal to the highest combined principal and interest payment in any year of the Bond. The sole purpose of this fund is to pay the principal of and the interest on the bonds payable from the Revenue Bond Reserve Fund as to which these would otherwise be in default.
3. Depreciation and Contingency Fund  
The resolution called for the establishment and maintenance of a Depreciation and Contingency Fund to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the system. Regular deposits of \$453 per month are to be deposited with the regularly designated fiscal agent of the Town.
4. Meter Deposit Fund  
The Town established a Meter Deposit Fund to help maintain customer meter deposits on hand as well as help control customer meter deposits received.

#### Note 12. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2010, the Town carried insurance through various commercial carriers to cover all risks of losses. The Town has no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

## **TOWN OF ABITA SPRINGS, LOUISIANA**

### **Notes to Financial Statements**

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#### **Note 13. Subsequent Events**

On December 10 2010, the Town received the results of an audit conducted by U.S. Department of Homeland Security Office of Inspector General (DHS OIG) regarding public assistance funds awarded to the Town. The results of the audit disclosed six recommendations to the Regional Administrator, FEMA Region VI. In a response dated March 11, 2011, the Town and the Governor's Office of Homeland Security and Emergency Preparedness (GOSHEP) provided their responses to each of the recommendations. The Town was in agreement with four of the recommendations of which the following monetary costs were agreed upon: disallowing of \$1,710 of ineligible contract costs and the deobligation of \$32,865. Both GOSHEP and the Town disagreed with the remaining two recommendations. Final disposition of the recommendations and resolution of the findings has not been determined at the report date.

The Town applied for and received forgiveness of the Community Disaster Loan in 2011. See Note 8 for further details.



**REQUIRED SUPPLEMENTAL INFORMATION (PART II)  
BUDGETARY COMPARISON SCHEDULE**

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2010**

**Schedule 1**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>				
Taxes				
Property Taxes	\$ 134,400	\$ 134,400	\$ 146,245	\$ 11,845
Franchise Taxes	105,000	105,000	108,386	3,386
Sales Taxes	670,000	670,000	665,238	(4,762)
Other	6,000	6,000	5,851	(149)
Licenses and Permits	50,000	50,000	53,160	3,160
Intergovernmental Grants	25,000	47,500	194,431	146,931
Insurance Licenses	105,000	105,000	98,121	(6,879)
Rentals	17,400	17,400	13,450	(3,950)
Fines and Forfeitures	140,000	140,000	101,612	(38,388)
Interest Income	2,500	2,500	1,311	(1,189)
FEMA Reimbursements	-	112,500	112,468	(32)
Donations	-	-	3,500	3,500
Other Revenues	98,700	138,700	102,633	(36,067)
<b>Total Revenues</b>	<b>1,354,000</b>	<b>1,529,000</b>	<b>1,606,406</b>	<b>77,406</b>
<b>Expenditures</b>				
General Government	965,000	965,000	928,910	36,090
Public Safety	236,000	236,000	233,866	2,134
Clerk of Court	56,000	56,000	57,037	(1,037)
Culture and Recreation	52,000	52,000	34,193	17,807
Capital Outlay	45,000	180,000	274,698	(94,698)
<b>Total Expenditures</b>	<b>1,354,000</b>	<b>1,489,000</b>	<b>1,528,704</b>	<b>(39,704)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>-</b>	<b>40,000</b>	<b>77,702</b>	<b>37,702</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers Out	-	(40,000)	(73,479)	(33,479)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(40,000)</b>	<b>(73,479)</b>	<b>(33,479)</b>
<b>Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,223</b>	<b>\$ 4,223</b>
<b>Fund Balance, Beginning of Year</b>			<b>1,207,766</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 1,211,989</b>	

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended December 31, 2010**

**Schedule 1 (Continued)**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>General Government</b>				
Salaries	\$ 350,000	\$ 350,000	\$ 347,041	\$ 2,959
Employee Insurance and Benefits	115,000	115,000	107,697	7,303
Aldermen	26,000	26,000	24,500	1,500
Accounting and Auditing	22,000	22,000	23,545	(1,545)
Advertising and Publication	3,500	3,500	2,675	825
Advocacy Center	1,000	1,000	-	1,000
Animal Control	500	500	-	500
Auto Gas	10,000	10,000	15,895	(5,895)
Auto Repairs and Maintenance	10,000	10,000	10,910	(910)
Codification	2,000	2,000	-	2,000
Contract Labor	8,000	8,000	2,888	5,112
Conventions and Travel	4,000	4,000	5,688	(1,688)
Dues and Subscriptions	1,000	1,000	861	139
Equipment Purchases	25,000	25,000	-	25,000
Grant Expense	25,000	25,000	31,385	(6,385)
Hazardous Trees	8,000	8,000	12,291	(4,291)
Inspections	2,000	2,000	8,025	(6,025)
Insurance	70,000	70,000	71,924	(1,924)
Legal	40,000	40,000	19,925	20,075
Land Lease	3,000	3,000	3,600	(600)
Miscellaneous	7,000	7,000	16,420	(9,420)
Office Supplies	8,000	8,000	8,607	(607)
Paid Street Culverts	2,500	2,500	6,552	(4,052)
Payroll Taxes	8,000	8,000	6,896	1,104
Postage	2,000	2,000	1,981	19
Repairs and Maintenance	54,000	54,000	38,819	15,181
Retirement	40,000	40,000	38,729	1,271
Senior Citizens	3,500	3,500	2,339	1,161
Street Repairs	50,000	50,000	72,358	(22,358)
St. Tammany Parish Assessor	5,500	5,500	2,687	2,813
Telephone	14,000	14,000	14,532	(532)
Trustee Expense	1,500	1,500	-	1,500
Uniforms	3,000	3,000	3,377	(377)
Utilities	40,000	40,000	26,763	13,237
<b>Total General Government</b>	<b>\$ 965,000</b>	<b>\$ 965,000</b>	<b>\$ 928,910</b>	<b>\$ 36,090</b>

**OTHER SUPPLEMENTAL INFORMATION**

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**December 31, 2010**

**Schedule 2**

	Mausoleum Special Revenue Fund	Cemetery Special Revenue Fund	Lighting Special Revenue Fund	Parks/ Playground Special Revenue Fund	2010 Debt Service Fund	Total Non-Major Governmental Funds
<b>Assets</b>						
Cash	\$ -	\$ 168,121	\$ 442	\$ 128,277	\$ 18,399	\$ 315,239
Property Taxes Receivable, Net	-	-	17,445	34,890	-	52,335
Equity in Pooled Cash	3,388	32,972	-	-	-	36,360
Due from Other Funds	33,725	-	-	-	-	33,725
<b>Total Assets</b>	<b>\$ 37,113</b>	<b>\$ 201,093</b>	<b>\$ 17,887</b>	<b>\$ 163,167</b>	<b>\$ 18,399</b>	<b>\$ 437,659</b>
<b>Liabilities</b>						
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances</b>						
Reserved for Program Use	37,113	201,093	17,887	163,167	-	419,260
Reserved for Debt Service	-	-	-	-	18,399	18,399
<b>Total Fund Balances</b>	<b>37,113</b>	<b>201,093</b>	<b>17,887</b>	<b>163,167</b>	<b>18,399</b>	<b>437,659</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 37,113</b>	<b>\$ 201,093</b>	<b>\$ 17,887</b>	<b>\$ 163,167</b>	<b>\$ 18,399</b>	<b>\$ 437,659</b>

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended December 31, 2010**

**Schedule 3**

	Mausoleum Special Revenue Fund	Cemetery Special Revenue Fund	Lighting Special Revenue Fund	Parks/ Playground Special Revenue Fund	2010 Debt Service Fund	Total Non-Major Governmental Funds
<b>Revenues</b>						
Property Taxes	\$ -	\$ -	\$ 18,988	\$ 38,004	\$ -	\$ 56,992
Sale of Cemetery Plots	-	6,000	-	-	-	6,000
Interest Income	-	207	14	60	29	310
Other Revenues	-	3,750	-	-	-	3,750
<b>Total Revenues</b>	<b>-</b>	<b>9,957</b>	<b>19,002</b>	<b>38,064</b>	<b>29</b>	<b>67,052</b>
<b>Expenditures</b>						
General Government	-	-	16,832	-	-	16,832
Cemetery	-	3,241	-	-	-	3,241
Culture and Recreation	-	-	-	22,331	-	22,331
Debt Service	-	-	-	-	-	-
Principal	-	-	-	-	32,000	32,000
Interest	-	-	-	-	23,109	23,109
<b>Total Expenditures</b>	<b>-</b>	<b>3,241</b>	<b>16,832</b>	<b>22,331</b>	<b>55,109</b>	<b>97,513</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>-</b>	<b>6,716</b>	<b>2,170</b>	<b>15,733</b>	<b>(55,080)</b>	<b>(30,461)</b>
<b>Other Financing Sources (Uses)</b>						
Transfer In	-	-	-	-	73,479	73,479
Proceeds of Debt	-	-	-	116,000	-	116,000
<b>Total Other Financing Sources (Uses), Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,000</b>	<b>73,479</b>	<b>189,479</b>
<b>Changes in Fund Balances</b>	<b>-</b>	<b>6,716</b>	<b>2,170</b>	<b>131,733</b>	<b>18,399</b>	<b>159,018</b>
<b>Fund Balance, Beginning of Year</b>	<b>37,113</b>	<b>194,377</b>	<b>15,717</b>	<b>31,434</b>	<b>-</b>	<b>278,641</b>
<b>Fund Balance, End of Year</b>	<b>\$ 37,113</b>	<b>\$ 201,093</b>	<b>\$ 17,887</b>	<b>\$ 163,167</b>	<b>18,399</b>	<b>\$ 437,659</b>

**TOWN OF ABITA SPRINGS, LOUISIANA**  
**Schedule of Compensation Paid to the Members**  
**of the Board of Aldermen**  
**For the Year Ended December 31, 2010**

**Schedule 4**

<b>Board of Aldermen</b>	<b>Term Expires</b>	<b>Compensation</b>
Troy Dugas 72099 Hickory Street Abita Springs, LA 70420 985-892-5010	December 31, 2014	\$4,900
Greg Lemons 71361 St. Joseph Street Abita Springs, LA 70420 985-809-7592	December 31, 2014	\$4,900
Patricia Edmiston 72286 Gordon Street Abita Springs, LA 70420 985-809-7393	December 31, 2014	\$4,900
Sheri Sable-Campbell 72110 Gum Street Abita Springs, LA 70420 985-875-1247	December 31, 2014	\$4,900
W.E. Patterson III 72104 Laurel Street Abita Springs, LA 70420 985-871-4211	December 31, 2014	\$4,900



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

To the Honorable Mayor and Board of Aldermen  
Town of Abita Springs, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Abita Springs, Louisiana (the Town), as of and for the year ended December 31, 2010, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Town of Abita Springs, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing board, the management of the Town of Abita Springs, Louisiana, and the Legislative Auditor of the State of Louisiana, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

  
A Professional Accounting Corporation

June 14, 2011