

**TOWN OF WASHINGTON, LOUISIANA**

**Financial Report**

**Year Ended June 30, 2021**

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# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Matthew E. Margaglio, CPA\*  
Casey L. Ardoin, CPA, CFE\*  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA\*  
Of Counsel

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA – retired 2022

183 S. Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

11929 Bricksome Ave.  
Baton Rouge, LA 70816  
Phone (225) 293-8300

1428 Metro Dr.  
Alexandria, LA 71301  
Phone (318) 442-4421

450 E. Main St.  
New Iberia, LA 70560  
Phone (337) 367-9204

200 S. Main St.  
Abbeville, LA 70510  
Phone (337) 893-7944

1201 David Dr.  
Morgan City, LA 70380  
Phone (985) 384-2020

434 E. Main St.  
Ville Platte, LA 70586  
Phone (337) 363-2792

332 W. Sixth Ave.  
Oberlin, LA 70655  
Phone (337) 639-4737

WWW.KCSRCPAS.COM

## INDEPENDENT AUDITOR'S REPORT

\* A Professional Accounting Corporation

The Honorable Dwight Landreneau, Mayor  
and Members of the Board of Aldermen  
Town of Washington, Louisiana

### Report on the Financial Statements

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 Washington, Louisiana (the Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate fund information of the Town, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## *Emphasis of Matter*

The accompanying financial statements have been prepared assuming the Town will continue as a going concern. As discussed in Note 21 to the financial statements, the Town has fund balance deficits that raise substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are also described in Note 21. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer's share of net pension liability, and schedule of employer contributions, pages 39 - 44, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information, pages 46 through 57, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative and combining statements and Justice System Funding Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of insurance in force has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
January 17, 2022

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT - WIDE  
FINANCIAL STATEMENTS (GWFS)**

TOWN OF WASHINGTON, LOUISIANA

Statement of Net Position

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 174,666	\$ 54,078	\$ 228,744
Receivables, net	10,947	91,214	102,161
Due from other governmental units	20,698	1,482	22,180
Restricted assets -			
Cash and interest-bearing deposits	-	86,830	86,830
Capital assets:			
Non-depreciable	143,767	123,197	266,964
Depreciable, net	684,625	1,234,794	1,919,419
Total assets	<u>1,034,703</u>	<u>1,591,595</u>	<u>2,626,298</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan	<u>132,698</u>	<u>-</u>	<u>132,698</u>
<b>LIABILITIES</b>			
Accounts and other payables	204,790	122,196	326,986
Ticket fine fees payable	69,382	-	69,382
Customers' deposits	-	86,830	86,830
Long-term liabilities - due within one year			
Compensated absences payable	11,100	2,438	13,538
Net pension liability	51,406	-	51,406
Total liabilities	<u>336,678</u>	<u>211,464</u>	<u>548,142</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension plan	<u>182,200</u>	<u>-</u>	<u>182,200</u>
<b>NET POSITION</b>			
Net investment in capital assets	828,392	1,357,991	2,186,383
Restricted for sales tax dedications	40,235	-	40,235
Unrestricted (deficit)	(220,104)	22,140	(197,964)
Total net position	<u>\$ 648,523</u>	<u>\$ 1,380,131</u>	<u>\$ 2,028,654</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF WASHINGTON, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2021

Activities	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>						
General government	\$ 261,041	\$ 51,397	\$ -	\$ (209,644)	\$ -	\$ (209,644)
Public safety	167,150	97,890	102,649	33,389	-	33,389
Public works	132,404	-	23,174	(109,230)	-	(109,230)
Culture and recreation	69,253	6,874	-	(62,379)	-	(62,379)
Total governmental activities	<u>629,848</u>	<u>156,161</u>	<u>125,823</u>	<u>(347,864)</u>	<u>-</u>	<u>(347,864)</u>
<b>Business-type activities:</b>						
Water	149,636	193,725	41,568	-	85,657	85,657
Sewer	115,767	74,585	-	-	(41,182)	(41,182)
Gas	183,838	298,379	-	-	114,541	114,541
Total business-type activities	<u>449,241</u>	<u>566,689</u>	<u>41,568</u>	<u>-</u>	<u>159,016</u>	<u>159,016</u>
<b>Total primary government</b>	<u>\$ 1,079,089</u>	<u>\$ 722,850</u>	<u>\$ 167,391</u>	<u>(347,864)</u>	<u>159,016</u>	<u>(188,848)</u>
<b>General revenues:</b>						
Taxes -						
Ad valorem taxes, levied for general purposes				29,723	-	29,723
Sales and use taxes, levied for general purposes				156,777	-	156,777
Franchise taxes				40,555	-	40,555
Grants and contributions not restricted to specific programs -						
State sources				32,587	-	32,587
Nonemployer pension contribution				1,212	-	1,212
Interest				56	70	126
Gain on sale of capital assets				48,280	15,000	63,280
Miscellaneous				390,490	2,531	393,021
Transfers				182,061	(182,061)	-
Total general revenues				<u>881,741</u>	<u>(164,460)</u>	<u>717,281</u>
Change in net position				533,877	(5,444)	528,433
Net position, beginning				<u>114,646</u>	<u>1,385,575</u>	<u>1,500,221</u>
Net position, ending				<u>\$ 648,523</u>	<u>\$ 1,380,131</u>	<u>\$ 2,028,654</u>

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

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

### **Sales Tax Fund**

To account for the collection of a 1.2% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication. The proceeds of the 1.2% sales tax are dedicated to sewer, sewer disposal, construction, improvement and maintenance of public streets, sidewalks and drainage facilities.

### **Enterprise Fund**

To account for the provision of gas, water and sewerage services to 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 WASHINGTON, LOUISIANA

Balance Sheet  
Governmental Funds  
June 30, 2021

ASSETS	<u>General</u>	<u>Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Cash and interest-bearing deposits	\$ 115,260	\$ 40,235	\$ 19,171	\$ 174,666
Receivables:				
Other	10,947	-	-	10,947
Due from other governmental units	<u>20,698</u>	<u>-</u>	<u>-</u>	<u>20,698</u>
Total assets	<u>\$ 146,905</u>	<u>\$ 40,235</u>	<u>\$ 19,171</u>	<u>\$ 206,311</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 184,986	\$ -	\$ 15,354	\$ 200,340
Compensated absences payable	-	-	-	-
Accrued liabilities	3,250	-	1,200	4,450
Ticket fine fees payable	<u>69,382</u>	<u>-</u>	<u>-</u>	<u>69,382</u>
Total liabilities	<u>257,618</u>	<u>-</u>	<u>16,554</u>	<u>274,172</u>
Fund balances (deficit):				
Restricted - sales tax dedications	-	40,235	-	40,235
Assigned	-	-	17,828	17,828
Unassigned	<u>(110,713)</u>	<u>-</u>	<u>(15,211)</u>	<u>(125,924)</u>
Total fund balances (deficit)	<u>(110,713)</u>	<u>40,235</u>	<u>2,617</u>	<u>(67,861)</u>
Total liabilities and fund balances	<u>\$ 146,905</u>	<u>\$ 40,235</u>	<u>\$ 19,171</u>	<u>\$ 206,311</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF WASHINGTON, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2021

Total fund balances for the governmental funds at June 30, 2021		\$ (67,861)
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 143,767	
Buildings, net of \$581,125 accumulated depreciation	573,175	
Equipment, net of \$216,564 accumulated depreciation	2,438	
Other improvements, net of \$283,203 accumulated depreciation	<u>109,012</u>	828,392
Deferred outflows of expenditures are not a use of current resources and, therefore, are not reported in the funds		
Pension plan		132,698
Some liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds		
Compensated absences payable	(11,100)	
Net pension liability	<u>(51,406)</u>	(62,506)
Deferred inflows of contributions are not available resources and, therefore, are not reported in the funds		
Pension plan		<u>(182,200)</u>
Net position at June 30, 2021		<u>\$ 648,523</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF WASHINGTON, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended June 30, 2021

	<u>General</u>	<u>Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Revenues:</b>				
Taxes	\$ 70,278	\$ 156,777	\$ -	\$ 227,055
Licenses and permits	51,397	-	-	51,397
Intergovernmental revenues	158,410	-	-	158,410
Charges for services	-	-	6,874	6,874
Fines and forfeits	97,890	-	-	97,890
Miscellaneous	388,658	10	1,878	390,546
Total revenues	<u>766,633</u>	<u>156,787</u>	<u>8,752</u>	<u>932,172</u>
<b>Expenditures:</b>				
Current -				
General government	237,816	1,349	18,295	257,460
Public safety	220,281	-	-	220,281
Public works	131,171	-	-	131,171
Culture and recreation	26,956	-	-	26,956
Total expenditures	<u>616,224</u>	<u>1,349</u>	<u>18,295</u>	<u>635,868</u>
Excess (deficiency) of revenues over expenditures	<u>150,409</u>	<u>155,438</u>	<u>(9,543)</u>	<u>296,304</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	17,263	-	31,017	48,280
Transfers in	394,628	-	3,200	397,828
Transfers out	(1,200)	(139,550)	(75,017)	(215,767)
Total other financing sources (uses)	<u>410,691</u>	<u>(139,550)</u>	<u>(40,800)</u>	<u>230,341</u>
Net changes in fund balances	561,100	15,888	(50,343)	526,645
Fund balances (deficit), beginning	<u>(671,813)</u>	<u>24,347</u>	<u>52,960</u>	<u>(594,506)</u>
Fund balances (deficit), ending	<u>\$ (110,713)</u>	<u>\$ 40,235</u>	<u>\$ 2,617</u>	<u>\$ (67,861)</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF WASHINGTON, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2021

Total net change in fund balance for the year ended June 30, 2021 per the statement of revenues, expenditures and changes in fund balances		\$ 526,645
The change in net position reported for governmental activities in the statement of activities is 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 and reported as depreciation expense.		
Depreciation expense	\$ (44,693)	
Loss on disposal of capital assets	<u>(1,550)</u>	(46,243)
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 the governmental funds		
Compensated absences payable	2,465	
Net pension liability	<u>51,010</u>	<u>53,475</u>
Change in net position for the year ended June 30, 2021 per the statement of activities		<u>\$ 533,877</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF WASHINGTON, LOUISIANA

Statement of Net Position  
 Proprietary Fund - Enterprise Fund  
 Utility Fund  
 June 30, 2021

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 54,078
Receivables -	
Accounts, net	40,585
Unbilled utility receivables	50,629
Due from other governmental units	<u>1,482</u>
Total current assets	<u>146,774</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	86,830
Capital assets -	
Land	123,197
Capital assets, net	<u>1,234,794</u>
Total noncurrent assets	<u>1,444,821</u>
Total assets	<u>1,591,595</u>

LIABILITIES

Current liabilities:	
Accounts payable	120,546
Accrued liabilities	1,650
Payable from restricted assets -	
Customers' deposits	<u>86,830</u>
Total current liabilities	209,026
Noncurrent liabilities:	
Compensated absences payable	<u>2,438</u>
Total liabilities	<u>211,464</u>

NET POSITION

Net investment in capital assets	1,357,991
Unrestricted	<u>22,140</u>
Total net position	<u>\$ 1,380,131</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF WASHINGTON, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position  
 Proprietary Fund - Enterprise Fund  
 Utility Fund  
 For the Year Ended June 30, 2021

Operating revenues:	
Charges for services -	
Gas sales	\$ 284,061
Water sales	184,427
Sewer service charge	71,006
Other	27,195
Total operating revenues	<u>566,689</u>
Operating expenses:	
Gas department expenses	179,779
Water department expenses	111,769
Sewerage department expenses	79,920
Depreciation expense	77,773
Total operating expenses	<u>449,241</u>
Operating income	<u>117,448</u>
Non-operating revenues:	
Interest income	70
State grant revenue	41,568
Gain on sale of assets	15,000
Miscellaneous revenue	2,531
Total non-operating revenues	<u>59,169</u>
Income before transfers	176,617
Transfers out	<u>(182,061)</u>
Change in net position	(5,444)
Net position, beginning	<u>1,385,575</u>
Net position, ending	<u>\$1,380,131</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF WASHINGTON, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund - Enterprise Fund  
 Utility Fund  
 For the Year Ended June 30, 2021

Cash flows from operating activities:	
Receipts from customers	\$ 547,944
Payments to suppliers	(291,548)
Payments to employees	(85,518)
Other receipts	<u>27,194</u>
Net cash provided by operating activities	<u>157,981</u>
Cash flows from noncapital financing activities:	
State grant	41,568
Transfers to other funds	(182,061)
Net change in meter deposits	<u>4,020</u>
Net cash used by noncapital financing activities	<u>(136,473)</u>
Cash flows from capital and related financing activities:	
Proceeds from sale of assets	15,000
Insurance proceeds	<u>2,531</u>
Net cash provided by capital and related financing activities	<u>17,531</u>
Cash flows from investing activities:	
Interest on interest-bearing deposits	<u>70</u>
Net increase in cash and cash equivalents	39,109
Cash and cash equivalents, beginning of period	<u>101,799</u>
Cash and cash equivalents, end of period	<u>\$ 140,908</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 117,448
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	77,773
Provision for bad debt	141,988
Changes in current assets and liabilities:	
Account receivable	(140,631)
Other receivables	1,560
Due from other governmental units	(1,482)
Unbilled utility receivables	(16,157)
Inventory	3,887
Accounts payable	(27,746)
Accrued liabilities	1,044
Compensated absences	<u>297</u>
Total adjustments	<u>40,533</u>
Net cash provided by operating activities	<u>\$ 157,981</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Washington, Louisiana (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town of Washington was incorporated under the provisions of the Lawrason Act. The Town changed to Home Rule Charter in October 2010. The Town operates under the Mayor-Board of Aldermen form of government and provides the following services to the residents of the Town as authorized by its charter: public safety, streets, water, gas, and sewer services, culture and recreation, and general and administrative services.

This report includes all funds and activities that are controlled by the Town as an independent political subdivision of the State of Louisiana. There are no component units required to be reported in conformity with generally accepted accounting principles.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the Town as an economic unit. The government-wide financial statements report the Town's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the Town.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

## TOWN OF WASHINGTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, expenditures/expenses, and transfers. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The General Fund is always a major governmental fund. Other individual major governmental and enterprise funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources, or liabilities and deferred inflows of resources, are at least ten percent of the corresponding totals for all funds of that category or type (total governmental or enterprise fund) and at least five percent of the corresponding total for all governmental fund and enterprise funds combined or funds designated as major at the discretion of the Town. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Town reports these major governmental funds and fund types:

#### 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 that are required to be accounted for in another fund.

##### Special Revenue Fund

Special Revenue Funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects of the Town. The Town reports one major Special Revenue Fund as follows:

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Sales Tax Fund

The Sales Tax Fund accounts for the receipts and disbursements of proceeds from the Town's 1.2% sales and use tax levy. These taxes are dedicated for: (1) sewer and sewerage disposal and (2) constructing, improving, and maintaining public streets, sidewalks, and drainage facilities.

Proprietary Funds –

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The Town's proprietary fund type is an enterprise fund.

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. The Town's enterprise fund is the Utility Fund.

C. Measurement Focus and Basis of Accounting

Measurement Focus

The measurement focus determines the accounting and financial reporting treatment applied to a fund.

The governmental and business-type activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. This measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund type, the flow of economic resources, is based upon determination of net income, net position, and cash flows.

## TOWN OF WASHINGTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. An exception to this is grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. Property tax revenues are recognized in the period for which levied provided they are also available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

#### Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Town's general revenues.

#### Allocation of indirect expenses

The Town reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities.

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.”

Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include franchise, beer taxes, and racino revenues. Business-type activities report customer’s utility service receivables as their major receivables. Uncollectible amounts due for customers’ utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers’ utility receivables was \$236,818 at June 30, 2021. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to October 1, 2002, some governmental funds’ infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	10-30 years
Gas system	10-50 years
Sewer system	25 years
Water system	10-40 years
Other improvements	10-15 years
Equipment	5-10 years

In the fund financial statements, the acquisition of capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the customer meter deposits.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debts to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The Town does not have any long-term debt at June 30, 2021.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

## TOWN OF WASHINGTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Compensated Absences

Town employees are entitled to certain compensated absences based upon their length of service.

Vacation leave is earned at the rate of 84 hours annually from one year through five years of service, 96 hours annually after five years through ten years of service, 108 hours annually after ten years through than fifteen years of service and 140 hours annually after sixteen years of service. Vacation leave earned can be carried over from one year to the next, not to exceed twelve months allowable vacation leave.

Sick leave is earned at the rate of 63 hours annually from three months through five years of service, 67 hours annually after five years through ten years of service, and 70 hours annually after ten years of service. Sick leave earned can be carried over from one year to the next, not to exceed 12 months allowable sick leave. However, sick leave is not payable upon termination of employment.

#### Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2021, deferred outflows of resources and deferred inflows of resources are attributable to its pension plan.

#### Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense (See Note 12), have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Member's earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Non-employer contributions are recognized as revenue in the government-wide financial statements. In the governmental fund financial statements contributions are recognized as expenditures when made.

## TOWN OF WASHINGTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or laws through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. It is the Town's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net positions are available for an expense which has been incurred. At June 30, 2021, the Town reported \$40,235 of restricted net position which was restricted by enabling legislation.
- c. Unrestricted net position consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town's Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Town.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes determined by a formal decision of the Town's Mayor and Board of Aldermen.
- e. Unassigned – all other spendable amounts.

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

It is the Town's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Town uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made. Enterprise Fund equity at the fund level is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Revenues

Ad valorem taxes are recorded in the year taxes are due and payable. Interest income on deposits is recorded as revenues when earned. Sales taxes, franchise fees, and intergovernmental revenues are recorded when the Town is entitled to the funds. Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. Interest on long-term debt is considered an indirect expense and is reported separately on the statement of activities. In the fund financial statements, expenditures are classified by character for governmental funds and by operating and nonoperating for proprietary funds. In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales Tax	See Note 4
Gas, water, and sewer revenue	Utility Operations

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

G. Use of Estimates

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

H. Reclassifications

For comparative purposes, certain accounts in the prior year financial statements have been reclassified in order to conform to the presentation of the current year statements.

(2) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within 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 certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2021, the Town had cash and interest-bearing deposits (book balances) in the amount of \$315,574.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2021, deposits (bank balances) in the amount of \$319,402 were fully secured by federal deposit insurance. Therefore, the Town was not exposed to custodial credit risk.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1<sup>st</sup> of each year. Taxes are levied by the Town in October and are billed to taxpayers in December. Billed taxes become delinquent on January 1<sup>st</sup> of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Landry Parish. Ad valorem taxes are recognized when levied to the extent that they result in current receivables.

Taxes of 6.55 mills were levied on property with assessed valuations totaling \$4,434,590 for the year ended June 30, 2021 and were dedicated for general corporate purposes.

Total taxes levied were \$29,047. Taxes receivable were \$1,648.

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Dedication of Proceeds and Flow of Funds - Sales and Use Taxes

Proceeds of the 1.2% sales and use tax were approved January 10, 1967, (accounted for in the Sales Tax Fund - a special revenue fund) and were issued in perpetuity. The sales taxes are dedicated to the following purposes:

Constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, sidewalks and fire department stations and equipment, including fire engines, and purchasing and acquiring equipment and furnishings for the aforesaid public works, improvements and facilities, title to which shall be in the public name.

(5) Receivables

Receivables consist of the following at June 30, 2021:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ -	\$ 40,585	\$ 40,585
Unbilled utility	-	50,629	50,629
Ad valorem taxes	1,648	-	1,648
Franchise taxes	9,299	-	9,299
Totals	<u>\$10,947</u>	<u>\$91,214</u>	<u>\$ 102,161</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2021 consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
State of Louisiana - beer tax	\$ 556	\$ -	\$ 556
Louisiana Municipal Advisory and Technical Services			
Bureau - insurance occupational licenses	14,857	-	14,857
St. Landry Parish Government - casino revenue	5,285	-	5,285
State of Louisiana - Community Water Enrichment grant	-	1,482	1,482
Total	<u>\$ 20,698</u>	<u>\$ 1,482</u>	<u>\$ 22,180</u>

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consist of the following at June 30, 2021:

Customers' deposits	<u>\$ 86,830</u>
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TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2021 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 143,767	\$ -	\$ -	\$ 143,767
Other capital assets:				
Buildings	1,154,300	-	-	1,154,300
Equipment	358,664	-	139,662	219,002
Other improvements	453,021	-	60,806	392,215
Total assets	<u>2,109,752</u>	<u>-</u>	<u>200,468</u>	<u>1,909,284</u>
Less accumulated depreciation				
Buildings	545,841	35,284	-	581,125
Equipment	355,634	463	139,533	216,564
Other improvements	333,642	8,946	59,385	283,203
Total accumulated depreciation	<u>1,235,117</u>	<u>44,693</u>	<u>198,918</u>	<u>1,080,892</u>
Capital assets, net	<u>\$ 874,635</u>	<u>\$ (44,693)</u>	<u>\$ 1,550</u>	<u>\$ 828,392</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - water system	\$ 123,197	\$ -	\$ -	\$ 123,197
Other capital assets:				
Buildings	63,067	-	39,010	24,057
Gas system	309,044	-	310	308,734
Water system	2,672,657	-	334	2,672,323
Sewer system	2,706,300	-	494	2,705,806
Equipment	10,560	-	1,002	9,558
Totals	<u>5,884,825</u>	<u>-</u>	<u>41,150</u>	<u>5,843,675</u>
Less accumulated depreciation				
Buildings	63,067	-	39,010	24,057
Gas system	237,335	4,059	310	241,084
Water system	1,951,515	37,816	334	1,988,997
Sewer system	2,186,637	35,847	494	2,221,990
Equipment	10,507	51	1,002	9,556
Total accumulated depreciation	<u>4,449,061</u>	<u>77,773</u>	<u>41,150</u>	<u>4,485,684</u>
Capital assets, net	<u>\$ 1,435,764</u>	<u>\$ (77,773)</u>	<u>\$ -</u>	<u>\$ 1,357,991</u>

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2021—

Depreciation expense was charged to governmental activities as follows:

General government	\$ 2,265
Public works	1,681
Culture and recreation	<u>40,747</u>
Total depreciation expense	<u>\$ 44,693</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 4,059
Water	37,867
Sewer	<u>35,847</u>
Total depreciation expense	<u>\$ 77,773</u>

(9) Accounts and Other Payables

Accounts and other payables at June 30, 2021 consist of the following:

	<u>Governmental</u> Activities	<u>Business-type</u> Activities	<u>Total</u>
Accounts	\$ 201,540	\$ 120,546	\$ 322,086
Salaries and related payroll liabilities	<u>3,250</u>	<u>1,650</u>	<u>4,900</u>
Totals	<u>\$ 204,790</u>	<u>\$ 122,196</u>	<u>\$ 326,986</u>

(10) Ticket Fine Fees Payable

The Town collects fees included in fine revenues which are subsequently remitted to various agencies in accordance with state statutes. At June 30, 2021, the Town owed amounts from fines collected through June 30, 2021 to the following agencies:

St. Landry Crime Stoppers	\$ 15,543
Louisiana Commission on Law Enforcement	31,520
State of Louisiana Supreme Court - Case Management Information System	5,349
Department of Health and Hospitals	16,750
State of Louisiana Supreme Court - JDC	<u>220</u>
Total	<u>\$ 69,382</u>

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(11) Noncurrent Compensated Absences

Changes in noncurrent compensated absences for the year ended June 30, 2021 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Compensated absences	\$ 13,565	\$ 15,443	\$15,470	\$ 13,538

Compensated absences are liquidated by the General Fund and Utility Fund.

(12) Pension Plan

**Plan Description**

The Town participates in the Municipal Police Employees' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan established by Act 189 of 1973 to provide retirement, disability, and survivors benefits to municipal police officers in Louisiana. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The plan is not closed to new entrants.

**Pension Benefits**

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service, not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater.

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

**Contributions:**

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2021, hazardous duty compensation retirement rates for employer and employee were 33.75% and 10.00%, respectively.

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

At June 30, 2021, the Town reported a liability of \$51,406 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Town's proportion was .005562%, which was an increase of .002326% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized a pension benefit of \$4,658.

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to MPERS from the following sources:

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ -	\$ 2,025
Changes of assumptions	1,222	1,269
Change in proportion and differences between the employer's contributions proportionate share of contributions	80,169	178,906
Net differences between projected and actual earnings on pension plan investments	6,167	-
Contributions subsequent to the measurement date	<u>45,140</u>	<u>-</u>
Total	<u>\$ 132,698</u>	<u>\$ 182,200</u>

Deferred outflows of resources of \$45,140 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended</u>	
2022	\$ (36,428)
2023	(69,843)
2024	10,457
2025	<u>1,172</u>
	<u>\$ (94,642)</u>

**Actuarial Assumptions:**

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Valuation date	June 30, 2020
Actuarial cost method	Normal Cost
Expected remaining service lives	4 years
Investment rate of return	6.950%, net of investment expense
Inflation rate	2.50%
Projected salary increases	4.70% - 12.30%
Mortality rates	<p>Pub2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.</p> <p>Pub2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.</p> <p>Pub2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.</p>
Cost-of-living adjustments	<p>The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.</p>

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

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

TOWN OF WASHINGTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

The best estimates of the arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Long-term Expected Rate of Return	
	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Equity	48.5%	3.08%
Fixed income	33.5%	0.54%
Alternative	18.0%	1.02%
Other	0.0%	0.00%
	<u>100%</u>	<u>4.64%</u>
Inflation		<u>2.55%</u>
Expected arithmetic nominal return		<u>7.19%</u>

**Discount Rate**

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>5.95%</u>	<u>6.95%</u>	<u>7.95%</u>
Net Pension Liability	<u>\$ 72,220</u>	<u>\$ 51,406</u>	<u>\$ 34,006</u>

**Pension Plan Fiduciary Net Position**

Since the measurement date of the net pension liability was June 30, 2020, the net position liability is based upon fiduciary net position for the plan as of that date. Detailed information about the pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Town's net pension liability is available in the separately issued plan financial report for fiscal year 2020. The financial plan can be access on their website at [www.lampers.org](http://www.lampers.org).

TOWN OF WASHINGTON, LOUISIANA

Notes to the Basic Financial Statements (Continued)

**Payables to the Pension Plan**

At June 30, 2021, the Town reported payables of \$1,536 for the contractually required contribution for the month of June 2021. These amounts are included in liabilities and reported as accounts and other payables in these financial statements.

(13) On-Behalf Payments of Salaries

The Town received on-behalf payments from the State of Louisiana in the amount of \$18,000 for police salaries during the year ended June 30, 2021. Such payments are recorded as intergovernmental revenues and public safety expense in the government-wide and General Fund financial statements.

(14) Departmental Information for the Enterprise Fund

The Town of Washington maintains one enterprise fund with three departments, which provide gas, water, and sewerage services. Departmental information for the year ended June 30, 2021 was as follows:

	Gas Department	Water Department	Sewerage Department	Total Enterprise Fund
Charges for services and other revenues	<u>\$ 298,379</u>	<u>\$ 193,725</u>	<u>\$ 74,585</u>	<u>\$ 566,689</u>
Operating expenses:				
Depreciation	4,059	37,867	35,847	77,773
Other expenses	<u>179,779</u>	<u>111,769</u>	<u>79,920</u>	<u>371,468</u>
Total operating expenses	<u>183,838</u>	<u>149,636</u>	<u>115,767</u>	<u>449,241</u>
Operating income (loss)	<u>\$ 114,541</u>	<u>\$ 44,089</u>	<u>\$ (41,182)</u>	<u>\$ 117,448</u>

(15) Risk Management

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(16) Litigation and Claims

At June 30, 2021, the Town is a defendant in several lawsuits principally arising from the normal course of operations. The Town's legal counsel has reviewed the claims filed and has determined that the Town's liability net of insurance coverage is considered immaterial at June 30, 2021.

TOWN OF WASHINGTON, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(17) Interfund Transactions

Interfund transfers consisted of the following at June 30, 2021:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 394,628	\$ 1,200
Sales Tax Fund	-	139,550
Non major governmental funds	3,200	75,017
Proprietary Fund Utility Fund	-	<u>182,061</u>
Total	<u>\$ 397,828</u>	<u>\$ 397,828</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(18) Compensation of Town Officials

A detail of compensation paid to the Board of Aldermen for the year ended June 30, 2021 follows:

Tanya Doucet	\$ 7,200
Wilbert Ledet	7,200
Roger Malveaux	7,200
Beau Wilson	7,200
Mona Wilson, Mayor Pro-tem	<u>9,600</u>
Total	<u>\$ 38,400</u>

(19) Compensation, Benefits, and Other Payments to Agency Head

A detail of compensation, benefits, and other payments to the Mayor Dwight Landreneau, for the year ended June 30, 2021 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 29,500
Reimbursements for supplies purchased	<u>46</u>
	<u>\$ 29,546</u>

TOWN OF WASHINGTON, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(20) Deficit Fund Balances in Individual Funds

The following funds reported deficit fund balances at June 30, 2021:

General Fund	\$ (110,713)
Museum Fund	<u>(15,211)</u>
Total	<u>\$ (125,924)</u>

The General and Museum Fund deficits are expected to be eliminated in future years by identifying and assessing additional revenue sources, reducing expenditures, and transferring funds from the Utility Fund.

(21) Going Concern

The Town has past due balances as of June 30, 2021 in the amount of approximately \$396,000 as indicated in Notes 9 and 10. This amount has been reduced by approximately \$380,000 since the prior year. As indicated, in Note 20, the Town has \$125,924 of deficit fund balances in the governmental funds which has been reduced by \$572,010 since the prior fiscal year. The Town is continuing the process of assessing operations in order to identify additional revenue sources and to reduce expenditures.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

TOWN OF WASHINGTON, LOUISIANA

General Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2021

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 79,300	\$ 79,300	\$ 70,278	\$ (9,022)
Licenses and permits	47,200	47,200	51,397	4,197
Intergovernmental revenues	137,254	137,254	158,410	21,156
Fines and forfeits	91,400	91,400	97,890	6,490
Miscellaneous	54,810	54,810	388,658	333,848
Total revenues	<u>409,964</u>	<u>409,964</u>	<u>766,633</u>	<u>356,669</u>
Expenditures:				
Current -				
General government	225,359	225,359	237,816	(12,457)
Public safety	242,366	242,366	220,281	22,085
Public works	131,305	131,305	131,171	134
Culture and recreation	4,800	4,800	26,956	(22,156)
Total expenditures	<u>603,830</u>	<u>603,830</u>	<u>616,224</u>	<u>(12,394)</u>
Excess (deficiency) of revenues over expenditures	<u>(193,866)</u>	<u>(193,866)</u>	<u>150,409</u>	<u>344,275</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	6,075	6,075	17,263	11,188
Transfers in	195,000	195,000	394,628	199,628
Transfers out	(5,000)	(5,000)	(1,200)	3,800
Total other financing sources (uses)	<u>196,075</u>	<u>196,075</u>	<u>410,691</u>	<u>214,616</u>
Net change in fund balance	2,209	2,209	561,100	558,891
Fund balance (deficit), beginning	<u>(671,813)</u>	<u>(671,813)</u>	<u>(671,813)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ (669,604)</u>	<u>\$ (669,604)</u>	<u>\$ (110,713)</u>	<u>\$ 558,891</u>

The accompanying notes are integral part of this schedule.

TOWN OF WASHINGTON, LOUISIANA

Sales Tax Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes - sales taxes	\$ 164,400	\$ 164,400	\$ 156,777	\$ (7,623)
Miscellaneous - interest	20	20	10	(10)
Total revenues	164,420	164,420	156,787	(7,633)
Expenditures:				
Current -				
General government	1,400	1,400	1,349	51
Excess of revenues over expenditures	163,020	163,020	155,438	(7,582)
Other financing uses:				
Transfers out	(163,020)	(163,020)	(139,550)	23,470
Net change in fund balance	-	-	15,888	15,888
Fund balance, beginning	24,347	24,347	24,347	-
Fund balance, ending	\$ 24,347	\$ 24,347	\$ 40,235	\$ 15,888

The accompanying notes are integral part of this schedule.

TOWN OF WASHINGTON, LOUISIANA

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2021

* Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>Municipal Police Employees' Retirement System</b>					
2021	0.005562%	\$ 51,406	\$ 72,720	70.69%	70.94%
2020	0.003236%	29,388	118,546	24.79%	71.01%
2019	0.048585%	410,741	119,121	344.81%	71.89%
2018	0.030605%	267,195	105,834	252.47%	70.08%
2017	0.181700%	170,304	50,898	334.60%	66.04%
2016	0.026779%	209,785	90,765	231.13%	70.73%
2015	0.033536%	201,352	72,787	276.63%	75.10%

\* The amounts presented have a measurement date of the previous fiscal year end.

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

The accompanying notes are an integral part of this schedule.

TOWN OF WASHINGTON, LOUISIANA

Schedule of Employer Contributions  
For the Year Ended June 30, 2021

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
<b>Municipal Police Employees' Retirement System</b>					
2021	\$ 15,235	\$ 15,235	\$ -	\$ 45,140	33.75%
2020	23,634	23,634	-	72,720	32.50%
2019	38,231	38,231	-	118,546	32.25%
2018	36,630	36,630	-	119,121	30.75%
2017	33,602	33,602	-	105,834	31.75%
2016	15,015	15,015	-	50,898	29.50%
2015	28,591	28,591	-	90,765	31.50%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

The accompanying notes are an integral part of this schedule.

TOWN OF WASHINGTON, LOUISIANA

Notes to Required Supplementary Information  
For the Year Ended June 30, 2021

(1) Budget and Budgetary Accounting

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

1. The Mayor prepares a proposed budget and submits it to the Board of Aldermen for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Board of Aldermen.

(2) Excess of Expenditures Over Appropriations

The General Fund incurred expenditures in excess of appropriations in the amount of \$12,394 for the year ended June 30, 2021.

TOWN OF WASHINGTON, LOUISIANA

Notes to Required Supplementary Information (Continued)  
For the Year Ended June 30, 2021

(3) Retirement System

Changes in Benefit Terms – There were no changes in benefit terms for the pension plan.

Changes of Assumptions –

*		Investment		Expected	Projected
Year Ended	Discount	Rate of	Inflation	Remaining	Salary
<u>June 30,</u>	<u>Rate</u>	<u>Return</u>	<u>Rate</u>	<u>Service Lives</u>	<u>Increase</u>
<b>Municipal Police Employees' Retirement System</b>					
2021	6.95%	6.95%	2.50%	4 years	4.70% to 12.30%
2020	7.125%	7.125%	2.50%	4 years	4.25% to 9.75%
2019	7.20%	7.20%	2.60%	4 years	4.25% to 9.75%
2018	7.325%	7.325%	2.70%	4 years	4.25% to 9.75%
2017	7.50%	7.50%	2.875%	4 years	4.25% to 9.75%
2016	7.50%	7.50%	2.875%	4 years	4.25% to 9.75%
2015	7.75%	7.75%	3.00%	4 years	4.1% to 10.0%

*\*The amounts presented have a measurement date of the previous fiscal year end.*

**OTHER FINANCIAL INFORMATION**

TOWN OF WASHINGTON, LOUISIANA

Statement of Net Position

June 30, 2021

With Comparative Totals for June 30, 2020

	2021			2020 Totals
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and interest-bearing deposits	\$ 174,666	\$ 54,078	\$ 228,744	\$ 87,062
Receivables, net	10,947	91,214	102,161	90,382
Due from other governmental units	20,698	1,482	22,180	3,485
Inventory	-	-	-	3,887
Restricted assets -				
Cash and interest-bearing deposits	-	86,830	86,830	82,810
Capital assets -				
Land	143,767	123,197	266,964	266,964
Capital assets, net	<u>684,625</u>	<u>1,234,794</u>	<u>1,919,419</u>	<u>2,043,432</u>
Total assets	<u>1,034,703</u>	<u>1,591,595</u>	<u>2,626,298</u>	<u>2,578,022</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plan	<u>132,698</u>	<u>-</u>	<u>132,698</u>	<u>146,734</u>
<b>LIABILITIES</b>				
Cash overdraft	-	-	-	53,539
Accounts and other payables	204,790	122,196	326,986	456,626
Ticket fine fees payable	69,382	-	69,382	319,346
Customers' deposits	-	86,830	86,830	82,810
Long-term liabilities - due within one year				
Compensated absences payable	11,100	2,438	13,538	13,565
Net pension liability	<u>51,406</u>	<u>-</u>	<u>51,406</u>	<u>29,388</u>
Total liabilities	<u>336,678</u>	<u>211,464</u>	<u>548,142</u>	<u>955,274</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plan	<u>182,200</u>	<u>-</u>	<u>182,200</u>	<u>269,264</u>
<b>NET POSITION</b>				
Net investment in capital assets	828,392	1,357,991	2,186,383	2,310,396
Restricted for sales tax dedications	40,235	-	40,235	24,347
Unrestricted	<u>(220,104)</u>	<u>22,140</u>	<u>(197,964)</u>	<u>(834,525)</u>
Total net position	<u>\$ 648,523</u>	<u>\$ 1,380,131</u>	<u>\$ 2,028,654</u>	<u>\$ 1,500,218</u>

TOWN OF WASHINGTON, LOUISIANA

General Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2021  
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes -					
Ad valorem	\$ 28,000	\$ 28,000	\$ 29,723	\$ 1,723	\$ 27,712
Franchise	51,300	51,300	40,555	(10,745)	41,249
Licenses and permits -					
Licenses	46,500	46,500	50,031	3,531	45,869
Permits	700	700	1,366	666	735
Intergovernmental revenues -					
State of Louisiana:					
Beer taxes	2,400	2,400	2,101	(299)	2,006
Highway maintenance	-	-	4,921	4,921	-
Supplemental pay	12,000	12,000	18,000	6,000	6,000
Other state grants	700	700	3,510	2,810	8,270
Racino taxes	24,000	24,000	27,227	3,227	21,900
St. Landry Parish Solid Waste	17,154	17,154	14,743	(2,411)	-
PILOT payment	3,000	3,000	3,259	259	3,014
Federal grants	78,000	78,000	84,649	6,649	-
Fines and forfeits	91,400	91,400	97,890	6,490	201,712
Miscellaneous -					
Rent income	35,460	35,460	35,370	(90)	11,030
Interest income	90	90	46	(44)	43
Donations	6,800	6,800	23,275	16,475	-
Other revenues	12,460	12,460	329,967	317,507	58,306
Total revenues	<u>409,964</u>	<u>409,964</u>	<u>766,633</u>	<u>356,669</u>	<u>427,846</u>
Expenditures:					
Current -					
General government	225,359	225,359	237,816	(12,457)	310,623
Public safety	242,366	242,366	220,281	22,085	375,493
Public works	131,305	131,305	131,171	134	167,995
Culture and recreation	4,800	4,800	26,956	(22,156)	8,244
Capital outlay	-	-	-	-	30,000
Total expenditures	<u>603,830</u>	<u>603,830</u>	<u>616,224</u>	<u>(12,394)</u>	<u>892,355</u>
Excess (deficiency) of revenues over expenditures	<u>(193,866)</u>	<u>(193,866)</u>	<u>150,409</u>	<u>344,275</u>	<u>(464,509)</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	6,075	6,075	17,263	11,188	-
Transfers in	195,000	195,000	394,628	199,628	344,293
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(1,200)</u>	<u>3,800</u>	<u>(30,202)</u>
Total other financing sources (uses)	<u>196,075</u>	<u>196,075</u>	<u>410,691</u>	<u>214,616</u>	<u>314,091</u>
Net change in fund balance	2,209	2,209	561,100	558,891	(150,418)
Fund balance (deficit), beginning	<u>(671,813)</u>	<u>(671,813)</u>	<u>(671,813)</u>	<u>-</u>	<u>(521,395)</u>
Fund balance (deficit), ending	<u>\$ (669,604)</u>	<u>\$ (669,604)</u>	<u>\$ (110,713)</u>	<u>\$ 558,891</u>	<u>\$ (671,813)</u>

TOWN OF WASHINGTON, LOUISIANA

General Fund

Budgetary Comparison Schedule - Expenditures

For the Year Ended June 30, 2021

With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				
	Budget		Actual	Variance with	2020
	Original	Final		Final Budget	
			Positive (Negative)	Actual	
Current -					
General government:					
Salaries	\$ 107,300	\$ 107,300	\$ 102,906	\$ 4,394	\$ 128,876
Payroll taxes	5,512	5,512	10,148	(4,636)	23,783
Group insurance	450	450	1,773	(1,323)	3,582
Retirement	-	-	-	-	931
General insurance	16,804	16,804	13,412	3,392	29,473
Legal and professional	57,000	57,000	68,745	(11,745)	66,726
Office expense and supplies	7,913	7,913	12,994	(5,081)	13,218
Advertising and promotion	1,500	1,500	898	602	3,199
Repairs and maintenance	1,000	1,000	11,258	(10,258)	1,013
Dues	200	200	626	(426)	956
Utilities and telephone	10,300	10,300	9,586	714	24,236
Community center	3,500	3,500	-	3,500	1,246
Preparation of tax rolls	3,200	3,200	4,291	(1,091)	3,200
Miscellaneous	10,680	10,680	1,179	9,501	10,184
Total general government	<u>225,359</u>	<u>225,359</u>	<u>237,816</u>	<u>(12,457)</u>	<u>310,623</u>
Public safety:					
Police department -					
Salaries	152,033	152,033	142,262	9,771	205,850
Payroll taxes	11,203	11,203	7,942	3,261	17,648
Pension	14,719	14,719	17,649	(2,930)	23,633
General insurance	17,999	17,999	14,300	3,699	39,297
Auto expense	13,200	13,200	6,271	6,929	17,791
Supplies	1,508	1,508	66	1,442	1,374
Telephone and utilities	6,900	6,900	2,029	4,871	25,687
Legal and professional	1,000	1,000	2,967	(1,967)	500
Office expense and supplies	750	750	6,283	(5,533)	1,079
Conventions and seminars	1,000	1,000	717	283	1,142
Ticket fine fees	17,400	17,400	11,561	5,839	36,046
Repairs and maintenance	200	200	6,183	(5,983)	150
Training	1,000	1,000	210	790	520
Uniforms	250	250	96	154	234
Miscellaneous	3,204	3,204	1,745	1,459	4,542
Total public safety	<u>242,366</u>	<u>242,366</u>	<u>220,281</u>	<u>22,085</u>	<u>375,493</u>

(continued)

TOWN OF WASHINGTON, LOUISIANA

General Fund  
 Budgetary Comparison Schedule - Expenditures (Continued)  
 For the Year Ended June 30, 2021  
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Actual	Variance with Final Budget Positive (Negative)	2020 Actual
	Budget				
	Original	Final			
Public works:					
Salaries	43,618	43,618	45,988	(2,370)	96,107
Payroll taxes	3,489	3,489	3,678	(189)	8,371
General insurance	17,554	17,554	14,341	3,213	9,824
Fuel	5,000	5,000	-	5,000	7,090
Materials and supplies	2,000	2,000	2,511	(511)	2,006
Repairs and maintenance	24,654	24,654	34,303	(9,649)	6,648
Telephone and utilities	33,540	33,540	28,692	4,848	34,871
Uniforms	-	-	-	-	852
Miscellaneous	1,450	1,450	1,658	(208)	2,226
Total public works	<u>131,305</u>	<u>131,305</u>	<u>131,171</u>	<u>134</u>	<u>167,995</u>
Culture and recreation:					
Supplies	-	-	12,016	(12,016)	-
Repairs and maintenance	-	-	2,837	(2,837)	-
Telephone and utilities	4,800	4,800	8,589	(3,789)	5,030
Miscellaneous	-	-	3,514	(3,514)	3,214
Total culture and recreation	<u>4,800</u>	<u>4,800</u>	<u>26,956</u>	<u>(22,156)</u>	<u>8,244</u>
Capital outlay	-	-	-	-	30,000
Total expenditures	<u>\$ 603,830</u>	<u>\$ 603,830</u>	<u>\$ 616,224</u>	<u>\$ (12,394)</u>	<u>\$ 892,355</u>

TOWN OF WASHINGTON, LOUISIANA

Sales Tax Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2021  
 With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes - sales taxes	\$ 164,400	\$ 164,400	\$ 156,777	\$ (7,623)	\$ 165,457
Miscellaneous - interest	<u>20</u>	<u>20</u>	<u>10</u>	<u>(10)</u>	<u>19</u>
Total revenues	164,420	164,420	156,787	(7,633)	165,476
Expenditures:					
Current -					
General government:					
Collection expense	<u>1,400</u>	<u>1,400</u>	<u>1,349</u>	<u>51</u>	<u>1,616</u>
Excess of revenues over expenditures	163,020	163,020	155,438	(7,582)	163,860
Other financing uses:					
Transfers out	<u>(163,020)</u>	<u>(163,020)</u>	<u>(139,550)</u>	<u>23,470</u>	<u>(159,546)</u>
Net change in fund balance	-	-	15,888	15,888	4,314
Fund balance, beginning	<u>24,347</u>	<u>24,347</u>	<u>24,347</u>	<u>-</u>	<u>20,033</u>
Fund balance, ending	<u>\$ 24,347</u>	<u>\$ 24,347</u>	<u>\$ 40,235</u>	<u>\$ 15,888</u>	<u>\$ 24,347</u>

TOWN OF WASHINGTON, LOUISIANA

Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2021

	<u>Library Fund</u>	<u>Cemetery Fund</u>	<u>Museum Fund</u>	<u>Total</u>
ASSETS				
Cash and interest-bearing deposits	<u>\$ 89</u>	<u>\$ 18,879</u>	<u>\$ 203</u>	<u>\$ 19,171</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 1,140	\$ 14,214	\$ 15,354
Accrued liabilities	-	-	1,200	1,200
Total liabilities	<u>-</u>	<u>1,140</u>	<u>15,414</u>	<u>16,554</u>
Fund balances:				
Assigned	89	17,739	-	17,828
Unassigned	-	-	(15,211)	(15,211)
Total fund balances	<u>89</u>	<u>17,739</u>	<u>(15,211)</u>	<u>2,617</u>
 Total liabilities and fund balances	 <u>\$ 89</u>	 <u>\$ 18,879</u>	 <u>\$ 203</u>	 <u>\$ 19,171</u>

TOWN OF WASHINGTON, LOUISIANA

Nonmajor Special Revenue Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2021

	Library Fund	Cemetery Fund	Museum Fund	Total
Revenues:				
Charges for services	\$ -	\$ 1,000	\$ 5,874	\$ 6,874
Miscellaneous	<u>1,878</u>	<u>-</u>	<u>-</u>	<u>1,878</u>
Total revenues	<u>1,878</u>	<u>1,000</u>	<u>5,874</u>	<u>8,752</u>
Expenditures:				
Current -				
General government:				
Salaries	-	-	70	70
Repairs and maintenance	-	17,340	20	17,360
Utilities and telephone	25	-	765	790
Miscellaneous	<u>75</u>	<u>-</u>	<u>-</u>	<u>75</u>
Total general government	<u>100</u>	<u>17,340</u>	<u>855</u>	<u>18,295</u>
Excess (deficiency) of revenues over expenditures	<u>1,778</u>	<u>(16,340)</u>	<u>5,019</u>	<u>(9,543)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	31,017	31,017
Transfers in	3,200	-	-	3,200
Transfers out	<u>-</u>	<u>(45,000)</u>	<u>(30,017)</u>	<u>(75,017)</u>
Total other financing sources (uses)	<u>3,200</u>	<u>(45,000)</u>	<u>1,000</u>	<u>(40,800)</u>
Net changes in fund balance	4,978	(61,340)	6,019	(50,343)
Fund balances (deficit), beginning	<u>(4,889)</u>	<u>79,079</u>	<u>(21,230)</u>	<u>52,960</u>
Fund balances (deficit), ending	<u>\$ 89</u>	<u>\$ 17,739</u>	<u>\$(15,211)</u>	<u>\$ 2,617</u>

TOWN OF WASHINGTON, LOUISIANA

Comparative Statement of Net Position  
Enterprise Fund - Utility Fund  
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash	\$ 54,078	\$ 18,992
Receivables -		
Accounts	40,585	43,502
Unbilled utility receivables	50,629	34,472
Due from other governmental units	1,482	-
Inventory	<u>-</u>	<u>3,887</u>
Total current assets	<u>146,774</u>	<u>100,853</u>
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits	86,830	82,810
Capital assets -		
Land	123,197	123,197
Capital assets, net	<u>1,234,794</u>	<u>1,312,564</u>
Total noncurrent assets	<u>1,444,821</u>	<u>1,518,571</u>
Total assets	<u>1,591,595</u>	<u>1,619,424</u>
LIABILITIES		
Current liabilities:		
Accounts payable	120,546	148,292
Accrued liabilities	1,650	606
Compensated absences payable	2,438	2,141
Payable from restricted assets -		
Customers' deposits	<u>86,830</u>	<u>82,810</u>
Total current liabilities	<u>211,464</u>	<u>233,849</u>
NET POSITION		
Net investment in capital assets	1,357,991	1,435,761
Unrestricted	<u>22,140</u>	<u>(50,186)</u>
Total net position	<u>\$ 1,380,131</u>	<u>\$ 1,385,575</u>

TOWN OF WASHINGTON, LOUISIANA

Enterprise Fund - Utility Fund  
 Comparative Departmental Analysis of Revenues and Expenses  
 For the Years Ended June 30, 2021 and 2020

	Totals		Gas		Water		Sewer	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Operating revenue:</b>								
Charges for services	\$ 539,494	\$ 412,307	\$ 284,061	\$ 244,905	\$ 184,427	\$ 129,923	\$ 71,006	\$ 37,479
Other	27,195	13,107	14,318	7,786	9,298	4,130	3,579	1,191
Total operating revenues	<u>566,689</u>	<u>425,414</u>	<u>298,379</u>	<u>252,691</u>	<u>193,725</u>	<u>134,053</u>	<u>74,585</u>	<u>38,670</u>
<b>Operating expenses:</b>								
Salaries and wages	79,211	28,731	53,811	9,577	12,700	9,577	12,700	9,577
Payroll taxes	6,307	2,460	4,283	820	1,012	820	1,012	820
Professional services	4,049	24,872	4,049	13,175	-	10,570	-	1,127
Fuel purchased	75,789	43,198	75,789	43,198	-	-	-	-
Office expenses	4,601	1,420	1,720	1,420	1,421	-	1,460	-
Supplies	22,456	27,392	4,203	2,035	16,422	18,192	1,831	7,165
Utilities	18,236	20,948	2,550	2,617	8,392	11,059	7,294	7,272
Telephone	-	11,209	-	3,736	-	3,737	-	3,736
General insurance	41,225	39,297	13,953	13,099	14,411	13,099	12,861	13,099
Repairs and maintenance	82,201	15,533	8,570	2,829	41,763	5,487	31,868	7,217
Depreciation expense	77,773	78,240	4,059	4,059	37,867	38,367	35,847	35,814
Bad debt expense	11,385	28,658	5,465	17,768	4,554	8,597	1,366	2,293
Automobile expenses	2,324	1,176	944	732	580	220	800	224
Survey and analysis	5,638	90	-	-	1,088	-	4,550	90
Drug testing	117	-	39	-	39	-	39	-
Retirement	-	75	-	-	-	75	-	-
Rental equipment	-	178	-	178	-	-	-	-
Miscellaneous	5,308	3,961	4,321	1,766	987	2,195	-	-
Contract labor	12,621	11,470	82	78	8,400	5,877	4,139	5,515
Total operating expenses	<u>449,241</u>	<u>338,908</u>	<u>183,838</u>	<u>117,087</u>	<u>149,636</u>	<u>127,872</u>	<u>115,767</u>	<u>93,949</u>
Operating income (loss)	<u>117,448</u>	<u>86,506</u>	<u>\$ 114,541</u>	<u>\$ 135,604</u>	<u>\$ 44,089</u>	<u>\$ 6,181</u>	<u>\$ (41,182)</u>	<u>\$ (55,279)</u>
<b>Non-operating revenues (expenses):</b>								
Interest income	70	147						
State grant revenue	41,568	-						
Gain on disposal of capital assets	15,000	-						
Miscellaneous revenue	2,531	-						
Total non-operating revenues (expenses)	<u>59,169</u>	<u>147</u>						
Income before transfers	<u>176,617</u>	<u>86,653</u>						
<b>Transfers in (out)</b>								
Transfers in	-	18,220						
Transfers out	<u>(182,061)</u>	<u>(174,620)</u>						
Total transfers in (out)	<u>(182,061)</u>	<u>(156,400)</u>						
Change in net position	(5,444)	(69,747)						
Net position, beginning	<u>1,385,575</u>	<u>1,455,322</u>						
Net position, ending	<u>\$ 1,380,131</u>	<u>\$ 1,385,575</u>						

TOWN OF WASHINGTON, LOUISIANA

Justice System Funding Schedule - Collecting/Disbursing Entity  
As Required by Act 87 of the 2020 Regular Legislative Session

Entity Name: Town of Washington  
LLA Entity ID#: 2332  
Date that reporting period ended: 6/30/2021

	First Six Month Period Ended <u>12/31/2020</u>	Second Six Month Period Ended <u>6/30/2021</u>
<b>Cash Basis Presentation</b>		
<b>Beginning balance of amounts collected</b>	\$ 7,768	\$ 3,320
<b>Add: Collections</b>		
Civil fees	-	-
Bond fees	-	-
Asset forfeiture/sale	-	-
Pre-Trial Diversion Program fees	-	-
Criminal court costs/fees	-	-
Criminal fines - contempt	-	-
Criminal fines - other	22,954	74,936
Restitution	-	-
Probation/parole/supervision fees	-	-
Service/collection fees	-	-
Interest earnings on collected balances	-	-
Other	-	-
<b>Subtotal Collections</b>	<u>22,954</u>	<u>74,936</u>
<b>Less Disbursements to Governments &amp; Nonprofits</b>		
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund, Criminal Fines - Other	150	875
Louisiana Commission on Law Enforcement POST Law Enforcement Training and Assistance Fund, Criminal Fines - Other	190	729
Louisiana Supreme Court - Louisiana Judicial College, Criminal Fines - Other	34	148
Treasurer, State of Louisiana - Trial Court Case Management Information System, Criminal Fines - Other	67	293
Acadiana Criminalistics Laboratory, Criminal Fines - Other	1,900	7,860
St. Landry Crime Stoppers, Criminal Fines - Other	134	388
<b>Less Amounts Retained by Collecting Agency</b>		
Collection fee for collecting/disbursing to others based on percentage of collection	-	-
Collection fee for collecting/disbursing to other based on fixed amount	-	-
<b>Amount "self-disbursed" to collecting agency</b>	-	-
Criminal Fines - Other	24,927	33,208
<b>Less Disbursements to Individuals/3rd party collection or processing agencies:</b>		
Civil fee refunds	-	-
Bond fee refunds	-	-
Restitution payments to individuals	-	-
Other disbursements to individuals	-	-
Payment to 3rd party collecting/processing agencies	-	-
<b>Subtotal Disbursements/Retainage</b>	<u>27,402</u>	<u>43,501</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	<u>\$ 3,320</u>	<u>\$ 34,755</u>
Ending balance of "partial payments" collected but not disbursed	<u>\$ -</u>	<u>\$ -</u>

**OTHER SUPPLEMENTARY INFORMATION**

TOWN OF WASHINGTON, LOUISIANA

Schedule of Insurance in Force  
(Unaudited)  
June 30, 2021

Description of coverage	Policy Expiration Date	Coverage Amounts
Worker's compensation: Employer's liability	10/4/2021	Statutory
Surety bonds: Position schedule bond	11/9/2021	375,000
General liability: Occurrence	7/1/2021	1,000,000
Aggregate	7/1/2021	2,000,000
Equipment coverage: Comprehensive \$1,000 deductible	7/1/2021	146,830
Automobile liability: Occurrence	7/1/2021	1,000,000
\$500 comprehensive deductible \$1,000 collision deductible		
Public official's liability: Occurrence	7/1/2021	1,000,000
Aggregate	7/1/2021	2,000,000
\$2,500 deductible Crisis management	7/1/2021	25,000
Police professional liability: Occurrence	7/1/2021	1,000,000
Aggregate	7/1/2021	2,000,000
\$10,000 deductible per occurrence		
Employment practices liability: Occurrence	7/1/2021	1,000,000
Aggregate	7/1/2021	2,000,000

**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Matthew E. Margaglio, CPA\*  
Casey L. Ardoin, CPA, CFE\*  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA\*  
Of Counsel

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA – retired 2022

\* A Professional Accounting Corporation

183 S. Beadle Rd.  
Lafayette, LA 70508  
Phone (337) 232-4141

11929 Bricksome Ave.  
Baton Rouge, LA 70816  
Phone (225) 293-8300

1428 Metro Dr.  
Alexandria, LA 71301  
Phone (318) 442-4421

450 E. Main St.  
New Iberia, LA 70560  
Phone (337) 367-9204

200 S. Main St.  
Abbeville, LA 70510  
Phone (337) 893-7944

1201 David Dr.  
Morgan City, LA 70380  
Phone (985) 384-2020

434 E. Main St.  
Ville Platte, LA 70586  
Phone (337) 363-2792

332 W. Sixth Ave.  
Oberlin, LA 70655  
Phone (337) 639-4737

WWW.KCSRCPAS.COM

## INDEPENDENT AUDITOR'S 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*

The Honorable Dwight Landreneau, Mayor  
and Members of the Board of Aldermen  
Town of Washington, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Washington, Louisiana (the Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated January 17, 2022.

### Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of current and prior year audit findings and management's corrective action plan, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2021-002 and 2021-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2021-001 and 2021-004 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2021-005, 2021-006, 2021-007, 2021-008 and 2021-009.

### **Town of Washington, Louisiana's Response to Findings**

The Town's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
January 17, 2022

TOWN OF WASHINGTON, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
For the Year Ended June 30, 2021

Part I. Findings reported in accordance with *Government Auditing Standards*

A. Internal Control Findings

**2021-001 Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: Unknown

CONDITION: The Town did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows: "Internal control is a process, effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations."

CAUSE: The Town does not have a sufficient number of staff performing administrative and financial responsibilities so as to provide segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities, including fraud and/or defalcations, may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTION ACTION PLAN: The Town has determined that it is not cost effective to achieve complete segregation of duties within the accounting functions.

**2021-002 Reconciliation of Aged Receivable Report**

Fiscal year finding initially occurred: 2019

CONDITION: The Town did not reconcile the utility aged receivable report to the general ledger on a monthly basis.

CRITERIA: The Town must reconcile the utility aged receivable report to the general ledger to ensure proper accounting of utility billing and collections.

CAUSE: The Town did not have policies and procedures in place for reconciling the aged receivable report.

EFFECT: Errors in processing of utility activity and possible fraudulent activity may occur and not be discovered and/or corrected.

TOWN OF WASHINGTON, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

RECOMMENDATION: The Town should reconcile the aged receivable report to the general ledger on a monthly basis.

MANAGEMENT'S CORRECTION ACTION PLAN: The Town will reconcile the aged receivable report to the general ledger on a monthly basis.

**2021-003 Inadequate Monitoring of the Utility System**

Fiscal year finding initially occurred: 2019

CONDITION: The Town does not have adequate controls over the Utility System:

- The Town did not follow the disconnect policy. The aged receivable report at June 30, 2021 revealed that 86% of the outstanding balances are past due.
- The meter deposit report has not been updated for deposits applied to customers' accounts or refunded to customers. Therefore, the Town is unable to determine if meter deposit cash is adequate to cover the liability.
- Reporting of water consumption, water productions and flushed lines has not been performed.
- In our test to determine if all meters are read and being properly billed, there were many Town addresses that were not in the billing system, houses and buildings not marked with the street numbers, and incorrect addresses entered into the system.

CRITERIA: The Town's policy states that "after the due date a late charge will be assessed and there will be a 3-day grace period before services are disconnected". Meter deposit refunds are required to be refunded to the customer or applied to their accounts on a timely basis. The recording of gallons of water pumped and subsequent consumption on a monthly basis is necessary to ensure that water loss remains at a reasonable quantity and to detect leaks and non-read meters. Proper billing of utility services is necessary in order to ensure revenue losses do not occur.

CAUSE: Policies and procedures over the Utility system are inadequate and/or are not being followed. Efforts are not being made to ensure that all addresses are being billed and entered into the billing system with the correct address.

EFFECT: Failure to collect user fees in a timely manner, results in a loss of revenue and jeopardizes continuity of operations. When utility balances are allowed to remain outstanding it may be difficult for the customer to return to nondelinquent status. Meter deposit cash may not be adequate to cover deposits. The Town will not be able to monitor productivity of the water system.

RECOMMENDATION: We recommend the Town implement and follow policies and procedures in order to operate the utility department in the most efficient manner.

MANAGEMENT'S CORRECTION ACTION PLAN: The Town will enforce the utility collection policy in accordance with the adopted ordinance and implement appropriate policies and procedures in order to operate the utility system.

TOWN OF WASHINGTON, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

**2021-004 Controls over Traffic Tickets**

Fiscal year finding initially occurred: 2021

CONDITION: Controls over traffic tickets were not adequate:

- There were no written policies and procedures for maintaining, issuing, and accounting for traffic tickets.
- The traffic ticket log was not properly maintained: (1) There was no accounting for the numerical sequence of tickets issued and (2) ticket books were issued to police officers before the previously issued book is accounted for and before all issued citations are received from the police officer.
- There is no accounting of the final disposition of citations issued.
- No quarterly audit of traffic citations is being performed by the Municipal Clerk.

CRITERIA: Written policies and procedures are necessary to provide a clear understanding of what should be done, how it should be done, who should do it, and when it should be done. LRS 32:398.1 *Traffic citations; form; issuance*, states that "The chief administrative officer of each traffic-enforcement agency shall issue these books, maintain a record of each book and each citation contained therein issued to all individual members of the traffic enforcement agency and shall require and retain a receipt for each book issued." LRS 32:398.3 *Audit of citation records*, states that "Each record of traffic citations required in the Part shall be audited quarterly by the appropriate fiscal officer of the governmental agency to which the traffic enforcement agency is responsible.

CAUSE: There were no policies and procedures in place for (1) internal controls over ticket administration and processes, and (2) compliance with Louisiana Revised Statutes applicable to ticket administration.

EFFECT: Fines from ticket revenues may not be properly accounted for and compliance with laws and regulations may be violated.

RECOMMENDATION: Written policies and procedures over maintaining, issuing, and accounting for traffic tickets should be prepared and implemented. Traffic ticket books should be issued in numerical sequence with only one ticket book issued at a time. The Chief should maintain a citation log with all required information to ensure fines are collected; appropriate action is taken for nonpayment; and funds are not misappropriated. A quarterly reconciliation of traffic citations should be performed by the Municipal Clerk.

MANAGEMENT'S CORRECTION ACTION PLAN: Written policies and procedures will be prepared and controls over those procedures will be monitored. Accounting for tickets will be implemented as required by LRS 32:398.

TOWN OF WASHINGTON, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

B. Compliance Findings

**2021-005 Budget Adoption**

Fiscal year finding initially occurred: 2021

CONDITION: The Town did not adopt the 2021 proposed budget before the end of the prior fiscal year.

CRITERIA: LRS 39:1309 *Adoption*, states that; All action necessary to adopt and otherwise finalize and implement the budget for a fiscal year, including the adoption of any amendments to the proposed budget, shall be taken in an open meeting and completed before the end of the prior fiscal year.

CAUSE: The Town failed to follow procedures for proposing, approving, and implementing the budget before the end of the prior fiscal year.

EFFECT: The Town will be unable to properly monitor spending.

RECOMMENDATION: The Town should adopt the proposed budgets before the end of the prior fiscal year.

MANAGEMENT'S CORRECTION ACTION PLAN: The Mayor and Board of Aldermen will adopt the proposed budget before the end of the prior fiscal year.

**2021-006 Publication of Minutes**

Fiscal year finding initially occurred: 2021

CONDITION: The Town did not publish the written minutes in the official journal.

CRITERIA: LRS 43:143 *Newspaper selected to be known as official journal; duties*, states that "The newspaper selected shall be known as the official journal of the parish, town, city, or school board, and it shall publish all minutes, ordinances, resolutions, budgets and other official proceedings of the police jury, town or city councils, or the school board".

CAUSE: The Town failed to follow the requirements of LRS 43:143.

EFFECT: Members of the public were not informed of details of the Town's previous meetings in the official journal.

RECOMMENDATION: The Town should publish all written meetings in the official journal.

MANAGEMENT'S CORRECTION ACTION PLAN: Efforts will be made to publish the Town's minutes in the official journal.

TOWN OF WASHINGTON, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management’s Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

**2021-007 Budget Violation**

Fiscal year finding initially occurred: 2019

CONDITION: In the Town’s adopted 2021 budget for the General Fund, total proposed expenditures exceeded total estimated funds available.

CRITERIA: LRS 39:1305(E) *Budget preparation* states that, “The total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year.

CAUSE: The Town did not adopt a budget where proposed expenditures did not exceed the total of estimated funds available for the ensuing fiscal year. Additionally, the Town did not adopt an amended budget.

EFFECT: Failure to prepare a proper budget makes it difficult to monitor spending and ensure fiscal responsibility.

RECOMMENDATION: The Town should reduce spending to ensure that estimated expenditures do not exceed estimated funds available.

MANAGEMENT’S CORRECTION ACTION PLAN: The Mayor and Board of Aldermen will adopt a proposed budget that follows the requirements of LRS 39:1305(E).

**2021-008 Ticket Fine Fees Payable**

Fiscal year finding initially occurred: 2010

CONDITION: The Town failed to remit past due fees included in fine collections in accordance with various state statutes.

CRITERIA: State statutes require various fees to be collected in fine revenues, then subsequently remitted to the appropriate organization. The organizations and related revised statutes are as follows:

<u>Organization</u>	<u>Louisiana Revised Statute</u>
Acadiana Criminalistics Laboratory	R.S. 40:2266.1
St. Landry Crime Stoppers	La. Code of Criminal Procedure Article 895.4
Louisiana Commission on Law Enforcement	R.S. 46:1816 (E)(1)
State of Louisiana Supreme Court - CMIS	R.S. 13:4688 and Rule G, Section 13, (a)

CAUSE: The Town used the funds for operating expenses, rather than remit them to the appropriate organizations.

EFFECT: The Town is in violation of the various state statutes, identified above, which require the collection of and remittance of fine fees to appropriate organizations.

TOWN OF WASHINGTON, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

RECOMMENDATION: The Town should submit the required fees to the appropriate organization in a timely manner.

MANAGEMENT'S CORRECTION ACTION PLAN: During the FYE 2021, the Town has made efforts to remit the required fees, and the amount payable has been substantially reduced.

**2021-009 Controls over Traffic Tickets**

See internal control finding 2021-004.

C. Management Letter

A management letter was issued relating to the significant water losses in the Water Utility Department and an operating loss in the Sewer Utility Department.

Part II. Prior Year Findings

A. Internal Control Findings -

**2020-001 Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: Unknown

CONDITION: The Town did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See finding 2021-001.

**2020-002 Inadequate Recordation of Transactions and Reconciliations of Account Balances**

Fiscal year finding initially occurred: 2018

CONDITION: The Town does not have adequate controls over recordation of transactions and monthly reconciliations of account balances. Specific accounting areas involve the following – (1) banking and bank reconciliations (2) accounts receivable – utility reconciliation (3) accounts payable reconciliation (4) payroll recordation (5) interfund transactions and balances.

CURRENT STATUS: Resolved, except for 2 which is reported in 2021-002.

TOWN OF WASHINGTON, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2021

**2020-003 Inadequate Monitoring of the Utility Fund**

Fiscal year finding initially occurred: 2019

CONDITION: The Town does not have adequate controls over the Utility Fund. Specific areas involve the following – (1) reconciliations of subsidiary reports to the general ledger (2) monitoring the payment of bills on a timely basis (3) policies, procedures, and monitoring of disconnects and reconnects (4) no reporting or monitoring water consumption, water productions, and flushed lines, and (5) monitoring the cash balance in their utility deposit bank account to cover customer deposits.

RECOMMENDATION: We recommend the Town implement and follow policies and procedures in order to operate the utility department in the most efficient manner.

CURRENT STATUS: Unresolved. See finding 2021-003

B. Compliance Findings -

**2020-004 Ticket fine fees payable**

Fiscal year finding initially occurred: 2010

CONDITION: The Town failed to remit the required fees collected with the fine tickets to the appropriate organizations in accordance with various state statutes.

RECOMMENDATION: The Town should submit the required fees to the appropriate organization in a timely manner.

CURRENT STATUS: Unresolved. See finding 2021-008.

**2020-005 Budget Violation**

Fiscal year finding initially occurred: 2019

CONDITION: The Louisiana Local Government Budget Act requires governments to adopt a budget (amended budget, when required) where proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year, i.e., the beginning fund balance and any anticipated revenues.

RECOMMENDATION: The Town should reduce spending to ensure that estimated expenditures do not exceed estimated funds available.

CURRENT STATUS: Unresolved. See finding 2021-007.

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Stephen J. Anderson, CPA\*  
Matthew E. Margaglio, CPA\*  
Casey L. Ardoin, CPA, CFE\*  
Wanda F. Arcement, CPA  
Bryan K. Joubert, CPA  
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA\*  
Of Counsel

Victor R. Slaven, CPA\* - retired 2020  
Christine C. Doucet, CPA – retired 2022

183 S. Beadle Rd. 11929 Bricksome Ave.  
Lafayette, LA 70508 Baton Rouge, LA 70816  
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.  
Alexandria, LA 71301 New Iberia, LA 70560  
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.  
Abbeville, LA 70510 Morgan City, LA 70380  
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.  
Ville Platte, LA 70586 Oberlin, LA 70655  
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

\* A Professional Accounting Corporation

## MANAGEMENT LETTER

The Honorable Dwight Landreneau, Mayor  
and Members of the Board of Aldermen  
Town of Washington, Louisiana

We have completed our audit of the basic financial statements of the Town of Washington, Louisiana, for the year ended June 30, 2021, and submit the following recommendations for your consideration:

- 1) Significant water losses occurred in the Water Utility Department. The Town should investigate possible reasons for the significant water loss and continue efforts to repair leaking water lines and faulty meters with zero consumption readings. Also, the Town should make efforts to ensure that all addresses receiving water services are recorded in the Town's billing system and denoted as active.
- 2) The Sewer Enterprise Fund experienced an operating loss of \$41,182 during the current year. The Town should evaluate operations to determine methods to increase revenues and/or reduce expenses in order to operate at a surplus.

In conclusion, we express our appreciation to you and your staff, particularly to your office staff, for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendations, please feel free to contact us.

*Kolder, Slaven & Company, LLC*  
Certified Public Accountants

Lafayette, Louisiana  
January 17, 2022