

TOWN OF JENA, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2022  
AND FOR THE YEAR THEN ENDED  
WITH  
INDEPENDENT AUDITOR'S REPORT



**SILAS SIMMONS** LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS



TOWN OF JENA, LOUISIANA  
Annual Financial Statements  
As of and for the Year Ended December 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

The Honorable LaDawn Edwards, Mayor  
and Members of the Town Council  
Town of Jena, Louisiana

### *Opinions*

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 Town of Jena, Louisiana (the Town) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management 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 fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and budgetary comparison schedules, the schedule of the Town's proportionate share of the net pension liability, and the schedule of the Town's contributions on pages 39 through 43 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.

*Other Supplementary Information*

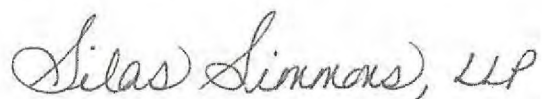
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and other supplementary information 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, the combining, individual fund statements, and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2023, 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 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 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.

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

A handwritten signature in cursive script that reads "Silas Simmons, LLP".

Natchez, Mississippi  
May 12, 2023

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

TOWN OF JENA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

The management of Town of Jena, Louisiana (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2022. This Management's Discussion and Analysis (MD&A) is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of the Town's finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board (GASB) Statement 34. This reporting model changes the presentation of financial data, and also the manner in which the information is recorded. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

#### Overview of the Financial Statements

This section is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

#### Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" statement of net position and statement of activities, which seek to give the user of the financial statements a broad overview of the Town's financial position and results of operations in a manner similar to private-sector businesses.

The statement of net position presents information on all of the Town's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or weakening.

The statement of activities presents information which shows how the government's net position changed during this year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes).

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees; such as the water, gas, and sewer departments.

TOWN OF JENA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**Government-Wide Financial Analysis**

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent year, the Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$12,122,368 (net position); this represents an increase of \$165,930 from last year. The Town's net position is comprised of \$7,486,313 from governmental activities and \$4,636,055 from business-type activities. Of this total net asset amount, \$674,937 is unrestricted net position.

The following is a condensed statement of the Town's net position as of December 31, 2022 and 2021:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 2,830,184	\$ 1,953,945	\$ 2,668,779	\$ 2,815,178	\$ 5,498,963	\$ 4,769,123
Capital assets (net)	6,803,432	7,165,755	2,217,716	2,339,033	9,021,148	9,504,788
Total assets	<u>\$ 9,633,616</u>	<u>\$ 9,119,700</u>	<u>\$ 4,886,495</u>	<u>\$ 5,154,211</u>	<u>\$ 14,520,111</u>	<u>\$ 14,273,911</u>
<b>Deferred outflows of resources</b>						
Deferred outflows	\$ 961,112	\$ 412,640	\$ -	\$ -	\$ 961,112	\$ 412,640
Total deferred outflows of resources	<u>\$ 961,112</u>	<u>\$ 412,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 961,112</u>	<u>\$ 412,640</u>
<b>Liabilities</b>						
Other liabilities	\$ 90,846	\$ 98,248	\$ 250,440	\$ 194,922	\$ 341,286	\$ 293,170
Net pension liability	2,937,331	1,781,740	-	-	2,937,331	1,781,740
Total liabilities	<u>\$ 3,028,177</u>	<u>\$ 1,879,988</u>	<u>\$ 250,440</u>	<u>\$ 194,922</u>	<u>\$ 3,278,617</u>	<u>\$ 2,074,910</u>
<b>Deferred inflows of resources</b>						
Deferred inflows	\$ 80,238	\$ 655,203	\$ -	\$ -	\$ 80,238	\$ 655,203
Total deferred inflows of resources	<u>\$ 80,238</u>	<u>\$ 655,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,238</u>	<u>\$ 655,203</u>
<b>Net position</b>						
Invested in capital assets, net	\$ 6,803,432	\$ 7,165,755	\$ 2,217,716	\$ 2,339,033	\$ 9,021,148	\$ 9,504,788
Restricted sales and use tax	1,797,056	1,569,548	-	-	1,797,056	1,569,548
Restricted for capital projects	629,227	10	-	-	629,227	10
Unrestricted	(1,743,402)	(1,738,164)	2,418,339	2,620,256	674,937	882,092
Total net position	<u>\$ 7,486,313</u>	<u>\$ 6,997,149</u>	<u>\$ 4,636,055</u>	<u>\$ 4,959,289</u>	<u>\$ 12,122,368</u>	<u>\$ 11,956,438</u>

By far, the largest portion of the Town's net position (\$9,021,148 or 75%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, Town infrastructure, etc.) less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF JENA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**Government-Wide Financial Analysis (continued)**

The remaining balance is comprised of \$674,937 (or 5%) unrestricted net position, which may be used to meet the government's on-going obligations to citizens and creditors, \$1,797,056 (or 15%) restricted 1% sales and use tax proceeds, and \$629,227 (or 5%) restricted net position, which have been designated for capital projects.

Total liabilities of \$3,278,617 are equal to 27% of the total net position.

The Town's governmental activities increased net position by \$489,164 and was primarily due to an increase in revenues and expenses less than originally budgeted. The Town's business-type activities decreased net position by \$323,234. This decrease is primarily due to increases in utility purchases and operating supplies.

The following is a summary of the statement of activities for the years ended December 31, 2022 and 2021:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenue</b>						
Program revenue	\$ 856,003	\$ 387,603	\$ 2,002,933	\$ 2,549,839	\$ 2,858,936	\$ 2,937,442
General revenue and transfers	1,772,402	1,762,512	116,322	(44,852)	1,888,724	1,717,660
Total revenue and transfers	<u>\$ 2,628,405</u>	<u>\$ 2,150,115</u>	<u>\$ 2,119,255</u>	<u>\$ 2,504,987</u>	<u>\$ 4,747,660</u>	<u>\$ 4,655,102</u>
<b>Expenses</b>						
General and administrative	\$ 464,670	\$ 374,832	\$ -	\$ -	\$ 464,670	\$ 374,832
Public safety	832,398	652,166	-	-	832,398	652,166
Parks and streets	699,798	410,957	-	-	699,798	410,957
Sanitation	36,416	126,958	-	-	36,416	126,958
Recreation	105,959	88,454	-	-	105,959	88,454
Combined utilities	-	-	2,442,489	2,091,183	2,442,489	2,091,183
Total expenses	<u>\$ 2,139,241</u>	<u>\$ 1,653,367</u>	<u>\$ 2,442,489</u>	<u>\$ 2,091,183</u>	<u>\$ 4,581,730</u>	<u>\$ 3,744,550</u>
Change in net position	\$ 489,164	\$ 496,748	\$ (323,234)	\$ 413,804	\$ 165,930	\$ 910,552
Net position, beginning	6,997,149	6,500,401	4,959,289	4,545,485	11,956,438	11,045,886
Net position, ending	<u>\$ 7,486,313</u>	<u>\$ 6,997,149</u>	<u>\$ 4,636,055</u>	<u>\$ 4,959,289</u>	<u>\$ 12,122,368</u>	<u>\$ 11,956,438</u>

**Governmental Activities**

The governmental activities of the Town include General Government, Public Safety, Public Works, Recreation, and Payment of Interest on Long-Term Debt. In that revenues normally associated with municipal operations (e.g.; sales tax, property tax, franchise fees, license fees, sanitation fees, permits, fines, and operating grants) are insufficient for the funding of these activities, the Town relies on transfers of excess revenue from its special revenue fund and enterprise fund to cover the cost of all activities.

TOWN OF JENA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Government-Wide Financial Analysis (continued)

Business-Type Activities

The business-type activities of the Town are those that charge a fee to customers for the services provided. The Town has one business-type activity, with is accounted for in the enterprise fund. The Town uses the enterprise fund to account for the revenues and expenses related to the provision of water, gas, and sewer services.

The following is a summary of the business-type activities of the Town:

	Operating Revenues			
	Water	Gas	Sewer	Total
Year ended December 31, 2021	\$ 762,209	\$ 747,283	\$ 391,330	\$ 1,900,822
Year ended December 31, 2022	771,296	823,104	408,533	2,002,933
Increase (decrease) between years	<u>\$ 9,087</u>	<u>\$ 75,821</u>	<u>\$ 17,203</u>	<u>\$ 102,111</u>
	Operating Expenses			
	Water	Gas	Sewer	Total
Year ended December 31, 2021	\$ 720,068	\$ 742,916	\$ 628,199	\$ 2,091,183
Year ended December 31, 2022	843,526	889,954	709,009	2,442,489
Increase (decrease) between years	<u>\$ 123,458</u>	<u>\$ 147,038</u>	<u>\$ 80,810</u>	<u>\$ 351,306</u>
	Operating Income (Loss)			
	Water	Gas	Sewer	Total
Year ended December 31, 2021	\$ 42,141	\$ 4,367	\$ (236,869)	\$ (190,361)
Year ended December 31, 2022	(72,230)	(66,850)	(300,476)	(439,556)
Increase (decrease) between years	<u>\$ (114,371)</u>	<u>\$ (71,217)</u>	<u>\$ (63,607)</u>	<u>\$ (249,195)</u>

The reasons for the major fluctuations noted above are as follows:

Revenues increased by 5% during the year primarily due to an increase in gas sales to utility customers of the Town. Expenses increased by approximately 17% during the year primarily due to an increase in gas prices and increases in general operating expenses.

TOWN OF JENA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

**Fund Financial Statements – Governmental Funds**

The fund financial statements provide more detailed information about the Town's most significant funds, not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for a particular purpose.

The Town currently maintains three governmental fund types. They are the General, Special Revenue, and Capital Projects Fund. The Town also maintains two agency funds; they are the Payroll Clearing Fund and the Accounts Payable Clearing Fund. The General Fund and Special Revenue Fund are presented separately in the Governmental Funds Balance Sheet (Statement C) and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement E) because they are considered to be major funds.

The Town adopts annual budgets for the General and the Special Revenue Funds. Statements of revenues, expenditures, and changes in fund balance are presented in the Required Supplementary Information (Part II), which compares actual revenues and expenditures to the original budget and amended budget figures.

Financial Analysis of the Town's Governmental Funds

The Town's governmental funds reported an ending fund balance of \$2,739,338, which is an increase of \$883,641. \$629,227 is reserved for capital projects, \$1,797,056 is restricted by the 1% sales and use tax, and the remaining fund balance of \$313,055 is unreserved.

**Fund Financial Statements – Proprietary Funds**

The Town maintains one proprietary fund. Proprietary funds are used to report the same functions as business-type activities. The Town uses an enterprise fund (the first type of proprietary fund) to account for its combined water, gas, and sewer operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

Financial Analysis of the Town's Proprietary Fund

The Town's proprietary fund showed a decrease in the ending fund balance of \$323,234 and an operating loss in the municipal utilities system of \$439,556. The overall decrease in the municipal utilities system was primarily the result of increased operating expenses in the utility departments. The water, gas, and sewer systems showed an operating loss before transfers.

In that financial statements of enterprise funds are presented on the same basis of accounting as in both the government-wide financial statements and the individual fund statements, all comments and analysis made under business-type activities apply to these funds.

General Fund and Sales Tax Special Revenue Fund Budgetary Highlights

*General Fund*

Budgeted amounts were amended during the year. The General Fund has an overall positive variance of \$23,286. This variance was primarily due to less than budgeted general government expenses. Overall expenses have a positive variance of \$258,848.

TOWN OF JENA, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

**Fund Financial Statements – Proprietary Funds (continued)**

General Fund and Sales Tax Special Revenue Fund Budgetary Highlights (continued)

*Sales Tax Special Revenue Fund*

Sales tax revenues were higher than budgeted by \$103,028. General expenditures were less than budgeted by \$707. Operating transfers out were more than budgeted by \$227. Overall, the Sales Tax Special Revenue Fund had a positive variance of \$103,508.

Capital Asset and Debt Administration

The total investment in net capital assets during the year ending December 31, 2022, was \$141,203. New major capital assets additions acquired, purchased, or constructed were as follows:

1. Improvements to sewer system for \$16,209.
2. Improvements to gas system for \$19,510.
3. Improvements to water system for \$49,349.
4. General Town improvements for \$56,135.

**Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Cory Floyd, Municipal Clerk, 2908 East Oak Street, Jena, Louisiana 71342.

## BASIC FINANCIAL STATEMENTS

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF JENA, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022

	Governmental Activities	Business- Type Activities	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 1,344,350	\$ 1,110,383	\$ 2,454,733
Receivables (net of allowances for uncollectibles)	217,302	299,684	516,986
Internal balances	-	46,832	46,832
Other assets	26,763	201,737	228,500
Restricted assets	1,241,769	1,010,143	2,251,912
Capital assets (net)	6,803,432	2,217,716	9,021,148
Total assets	\$ 9,633,616	\$ 4,886,495	\$ 14,520,111
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows - municipal employees' pension	\$ 517,777	\$ -	\$ 517,777
Deferred outflows - municipal police employees' pension	201,468	-	201,468
Deferred outflows - firefighters' pension	241,867	-	241,867
Total deferred outflows of resources	\$ 961,112	\$ -	\$ 961,112
<b><u>LIABILITIES</u></b>			
Accounts, salaries, and other payables	\$ 44,014	\$ 84,770	\$ 128,784
Internal balances	46,832	-	46,832
Payables from restricted assets	-	165,670	165,670
Net pension liability	2,937,331	-	2,937,331
Total liabilities	\$ 3,028,177	\$ 250,440	\$ 3,278,617
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows - municipal employees' pension	\$ 35,873	\$ -	\$ 35,873
Deferred inflows - municipal police employees' pension	23,541	-	23,541
Deferred inflows - firefighters' pension	20,824	-	20,824
Total deferred inflows of resources	\$ 80,238	\$ -	\$ 80,238
<b><u>NET POSITION</u></b>			
Invested in capital assets, net of related debt	\$ 6,803,432	\$ 2,217,716	\$ 9,021,148
Restricted sales and use tax	1,797,056	-	1,797,056
Restricted for capital projects	629,227	-	629,227
Unrestricted	(1,743,402)	2,418,339	674,937
Total net position	\$ 7,486,313	\$ 4,636,055	\$ 12,122,368

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

## TOWN OF JENA, LOUISIANA

## STATEMENT B

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Expenses	Program Revenues			Net (Expenses)/ Revenues	Net (Expenses), Revenues, and Changes		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	
<b><u>Governmental Activities</u></b>								
General government	\$ 464,670	\$ -	\$ 5,760		\$ (458,910)	\$ (458,910)	\$ -	\$ (458,910)
Public safety	832,398	201,697	-	-	(630,701)	(630,701)	-	(630,701)
Parks and streets	699,798	2,262	-	634,582	(62,954)	(62,954)	-	(62,954)
Sanitation	36,416	3,157	-	-	(33,259)	(33,259)	-	(33,259)
Recreation	105,959	8,545	-	-	(97,414)	(97,414)	-	(97,414)
Total governmental activities	\$ 2,139,241	\$ 215,661	\$ 5,760	\$ 634,582	\$ (1,283,238)	\$ (1,283,238)	\$ -	\$ (1,283,238)
<b><u>Business-Type Activities</u></b>								
Water	\$ 843,526	\$ 771,296	\$ -	\$ -	\$ (72,230)	\$ -	\$ (72,230)	\$ (72,230)
Gas	889,954	823,104	-	-	(66,850)	-	(66,850)	(66,850)
Sewer	709,009	408,533	-	-	(300,476)	-	(300,476)	(300,476)
Total business-type activities	\$ 2,442,489	\$ 2,002,933	\$ -	\$ -	\$ (439,556)	\$ -	\$ (439,556)	\$ (439,556)
Total	\$ 4,581,730	\$ 2,218,594	\$ 5,760	\$ 634,582	\$ (1,722,794)	\$ (1,283,238)	\$ (439,556)	\$ (1,722,794)
General Revenue								
Taxes						\$ 1,582,238	\$ -	\$ 1,582,238
Licenses and permits						200,274	-	200,274
Intergovernmental revenues						54,263	-	54,263
Investment earnings						5,597	8,164	13,761
Other general revenues						38,188	-	38,188
Transfers						(108,158)	108,158	-
Total general revenues and transfers						\$ 1,772,402	\$ 116,322	\$ 1,888,724
Change in net position						\$ 489,164	\$ (323,234)	\$ 165,930
Net position - beginning						6,997,149	4,959,289	11,956,438
Net position - ending						\$ 7,486,313	\$ 4,636,055	\$ 12,122,368

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

## FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

TOWN OF JENA, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	General Fund	Major Funds Sales Tax Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 170,420	\$ 1,657,664	\$ 629,227	\$ 128,808	\$ 2,586,119
Receivables (net of allowances for uncollectibles)	77,910	139,392	-	-	217,302
Other assets	26,763	-	-	-	26,763
Due from other funds	85,002	-	-	-	85,002
Total assets	<u>\$ 360,095</u>	<u>\$ 1,797,056</u>	<u>\$ 629,227</u>	<u>\$ 128,808</u>	<u>\$ 2,915,186</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities:					
Accounts payable	\$ 44,014	\$ -	\$ -	\$ -	\$ 44,014
Due to other funds	3,026	-	-	128,808	131,834
Total liabilities	<u>\$ 47,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,808</u>	<u>\$ 175,848</u>
Fund balances:					
Restricted for:					
Sales and use tax	\$ -	\$ 1,797,056	\$ -	\$ -	\$ 1,797,056
Capital projects	-	-	629,227	-	629,227
Unassigned, reported in:					
General fund	313,055	-	-	-	313,055
Total fund balances	<u>\$ 313,055</u>	<u>\$ 1,797,056</u>	<u>\$ 629,227</u>	<u>\$ -</u>	<u>\$ 2,739,338</u>
Total liabilities and fund balances	<u>\$ 360,095</u>	<u>\$ 1,797,056</u>	<u>\$ 629,227</u>	<u>\$ 128,808</u>	<u>\$ 2,915,186</u>

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

TOWN OF JENA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

DECEMBER 31, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)		\$	2,739,338
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			6,803,432
Deferred outflows and inflows are not financial resources or currently payable.			
Deferred outflows of resources	\$	961,112	
Deferred inflows of resources		<u>(80,238)</u>	880,874
Long-term net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.			<u>(2,937,331)</u>
Net Position of Governmental Activities (Statement A)		\$	<u><u>7,486,313</u></u>

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

TOWN OF JENA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Major Funds			Other	Total
	General	Sales Tax	Capital Projects	Governmental	Governmental
	Fund	Fund	Fund	Funds	Funds
<b>REVENUES</b>					
Taxes	\$ 279,260	\$ 1,302,978	\$ -	\$ -	\$ 1,582,238
Licenses and permits	200,274	-	-	-	200,274
Intergovernmental revenues	54,263	-	-	-	54,263
Charges for services	155,947	-	-	-	155,947
Fines and forfeitures	59,715	-	-	-	59,715
Investment earnings	47	5,550	-	-	5,597
Grants and contributions	11,122	-	629,217	-	640,339
Other revenues	38,188	-	-	-	38,188
Total revenues	\$ 798,816	\$ 1,308,528	\$ 629,217	\$ -	\$ 2,736,561
<b>EXPENDITURES</b>					
General government	376,804	\$ 20,793	\$ -	\$ -	\$ 397,597
Public safety	771,984	-	-	-	771,984
Parks and streets	529,714	-	-	-	529,714
Sanitation	-	-	-	-	-
Recreation	45,467	-	-	-	45,467
Total expenditures	\$ 1,723,969	\$ 20,793	\$ -	\$ -	\$ 1,744,762
Excess (deficiency) of revenues over (under) expenditures	\$ (925,153)	\$ 1,287,735	\$ 629,217	\$ -	\$ 991,799
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers - in	\$ 952,069	\$ -	\$ -	\$ -	\$ 952,069
Transfers - out	-	(1,060,227)	-	-	(1,060,227)
Total other financing sources (uses)	\$ 952,069	\$ (1,060,227)	\$ -	\$ -	\$ (108,158)
Net change in fund balance	\$ 26,916	\$ 227,508	\$ 629,217	\$ -	\$ 883,641
Fund balances - beginning	286,139	1,569,548	10	-	1,855,697
Fund balances - ending	\$ 313,055	\$ 1,797,056	\$ 629,227	\$ -	\$ 2,739,338

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

TOWN OF JENA, 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 DECEMBER 31, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds (Statement E)	\$ 883,641
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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. This is the amount by which capital outlays exceeded depreciation in the current period.	(362,323)
--	-----------

Net pension expense is reported in governmental funds as expenditures as they are paid; however, in the statement of activities, the net pension expense is reported according to estimates required by GASB 68. This is the amount that the pension estimate exceeds the pension expenses paid in the current year.	(32,154)
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Change in Net Position of Governmental Activities (Statement B)	\$ 489,164
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The accompanying notes are an integral part of this financial statement.

## PROPRIETARY FUNDS

TOWN OF JENA, LOUISIANA  
December 31, 2022  
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITY EXPENSES

	LINKED	MANUAL	MANUAL		MANUAL	
	As Per Governmental Funds Statement E	1000.65 Less Capital Outlay	1000.65 Add Depreciation Expense	Loss on Dispositions of assets	1000.65 Add Retirement per pension reports	As Per Statement of Activities Statement B
General Government	397,597	-	58,894	-	8,177	464,668
Public Safety	771,984	-	46,187	850	13,377	832,398
Streets	529,714	(56,135)	216,457		9,762	699,798
Sanitation	-	-	36,416		-	36,416
Recreation	45,467	-	59,654		838	105,959
						-
Totals	1,744,762	(56,135)	417,608	850	- 32,154	2,139,239

NET DIFFERENCE (362,323)

Difference due to loss on disposal of assets 850  
difference due to inflows/outflows variances

pension differences 32,154

TOWN OF JENA, LOUISIANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2022

	Enterprise Funds
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 1,110,383
Receivables (net of allowances for uncollectibles)	292,462
Due from other governments	6,318
Other receivables	904
Due from other funds	46,832
Prepaid expenses	64,705
Inventory	137,032
Total current assets	<u>\$ 1,658,636</u>
Noncurrent assets	
Restricted assets:	
Cash and cash equivalents	\$ 1,010,143
Capital assets (net of accumulated depreciation)	2,217,716
Total noncurrent assets	<u>\$ 3,227,859</u>
Total assets	<u>\$ 4,886,495</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	\$ 84,770
Total current liabilities	<u>\$ 84,770</u>
Current liabilities payable from restricted assets	
Consumer meter deposits	\$ 165,670
Total current liabilities payable from restricted assets	<u>\$ 165,670</u>
Total liabilities	<u>\$ 250,440</u>
<b><u>NET POSITION</u></b>	
Invested in capital assets, net of related debt	\$ 2,217,716
Unrestricted	2,418,339
Total net position	<u><u>\$ 4,636,055</u></u>

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

TOWN OF JENA, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Enterprise Funds
<b><u>OPERATING REVENUES</u></b>	
Charges for services:	
Water sales	\$ 747,322
Gas sales	797,520
Sewer charges	395,835
Other operating revenue	62,256
	<hr/>
Total operating revenues	\$ 2,002,933
	<hr/>
<b><u>OPERATING EXPENSES</u></b>	
Personal services	\$ 913,023
Purchase of utilities provided	386,015
Materials and supplies	336,190
Repairs and maintenance	169,641
Depreciation	206,385
Utilities and telephone	116,813
Insurance	102,268
Bad debts/recoveries	1,715
Other operating expenses	210,439
	<hr/>
Total operating expenses	\$ 2,442,489
	<hr/>
Operating income (loss)	\$ (439,556)
	<hr/>
<b><u>Nonoperating Revenues</u></b>	
Interest earnings	\$ 8,164
	<hr/>
Total nonoperating revenues	\$ 8,164
	<hr/>
Income (loss) before grants and transfers	\$ (431,392)
	<hr/>
Transfers - in	1,128,158
Transfers - out	(1,020,000)
	<hr/>
Change in net position	\$ (323,234)
	<hr/>
Total net position - beginning	4,959,289
	<hr/>
Total net position - ending	\$ 4,636,055
	<hr/>

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

TOWN OF JENA, LOUISIANA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Enterprise Funds
<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 1,935,577
Payments to suppliers	(1,242,068)
Payments to employees	(913,023)
Net cash used for operating activities	<u>\$ (219,514)</u>
<b>Cash flows from noncapital financing activities</b>	
Net change in amounts due from/to other funds	\$ 9,675
Transfers from other funds	1,128,158
Transfers to other funds	(1,020,000)
Net cash provided by noncapital financing activities	<u>\$ 117,833</u>
<b>Cash flows from capital and related financing activities</b>	
Purchase of capital assets	\$ (85,068)
Net cash used for capital and related financing activities	<u>\$ (85,068)</u>
<b>Cash flows from investing activities</b>	
Interest on temporary investments	\$ 8,164
Net cash provided by investing activities	<u>\$ 8,164</u>
Net increase (decrease) in cash and cash equivalents	\$ (178,585)
Cash and cash equivalents, beginning of year	2,299,111
Cash and cash equivalents, end of year	<u><u>\$ 2,120,526</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities</b>	
Operating loss	<u>\$ (439,556)</u>
<b>Adjustments to reconcile operating gain to net cash provided by operating activities</b>	
Depreciation	\$ 206,385
Change in assets and liabilities	
(Increase) decrease in:	
Accounts receivable - customers	(57,431)
Prepaid expenses	38,322
Inventory	(22,752)
Increase (decrease) in:	
Accounts payable and accrued liabilities	47,606
Customer deposits	7,912
Total adjustments	<u>\$ 220,042</u>
Net cash used for operating activities	<u><u>\$ (219,514)</u></u>

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

## NOTES TO THE BASIC FINANCIAL STATEMENTS

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

## INTRODUCTION

Town of Jena, Louisiana (the Town) was incorporated by proclamation of the Governor in 1906, under the provisions of the Lawrason Act. The Town operates under the Mayor-Town Council form of government and provides the following services: public safety (police and fire), streets, sanitation, recreation, public improvements, planning and zoning, provision of gas and water utilities, sewer services, and general services.

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In the statement of net position, the difference between a government's assets and liabilities is recorded as net position. The three components of net position are as follows:

*Invested in Capital Assets, Net of Related Debt* - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgage notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

*Restricted* - This category represents net position restricted for a specific future use because their use is limited.

*Unrestricted* - This category represents net position not appropriable for expenditures or legally segregated for a specific future use.

In the statement of net position, this report will often report a separate section for deferred outflows and/or deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Government-Wide and Fund Financial Statements (continued)**

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The municipality reports the following major governmental funds:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Sales Tax Special Revenue Fund is used to account for revenues generated by the 1% sales and use tax. Proceeds are first dedicated to any debt service, if applicable.

**TOWN OF JENA, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

The municipality reports the following major proprietary fund:

The Utility Fund is used to account for the provision of gas and water utilities, as well as sewer services, to residents of the Town and some residents of the Parish. 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.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. Cash and Cash Equivalents**

The municipality's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality's investment policy allow the municipality to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities. The Town currently only invests in certificates of deposit.

**D. Restricted Assets**

Certain proprietary fund assets are classified as restricted assets because their use is limited. "Customers' deposit account" consists of funds received from customers for utility deposits.

**TOWN OF JENA, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectible particular receivable.

The Town annually levies ad valorem taxes in accordance with state statute for the year ended December 31. Tax bills are prepared and delivered in October with payment due from the date of receipt to the last day of February. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of LaSalle Parish.

For the year ended December 31, 2022, taxes of 5.24 mills were levied on property with assessed valuations totaling \$28,311,140 after abatements and exemptions and were dedicated as follows:

General corporate purposes	Mills	5.24
Total taxes levied	\$	148,351

**F. Inventories and Prepaid Items**

Inventory is valued at cost using the first-in/first-out (FIFO) method. Inventory used for the maintenance of the utility system is accounted for in the Utility Fund as assets when purchased and recorded as expenses when consumed. Inventory for office use is accounted for in the General and Utility Funds as expenditures or expenses when purchased. Amounts of office inventory on hand are immaterial. Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid expenses in all funds.

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$2,500 or more for capitalizing capital assets used in the governmental funds.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**G. Capital Assets (continued)**

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities:	
Land improvements	30 years
Buildings	40 years
Vehicles	5-15 years
Machinery and equipment	5-15 years
Business-type activities/Enterprise Fund:	
Buildings	25 years
Infrastructure	20-50 years
Machinery and equipment	10-20 years
Vehicles	5 years

**H. Deferred Outflows of Resources**

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The Town reports deferred outflows of resources related to the net pension liabilities. A portion of these costs represent contributions to the plan subsequent to the plan measurement date.

**I. Compensated Absences**

The liability for compensated absences has not been accrued because the amount is considered to be immaterial.

**J. Long-Term Obligations**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF JENA, LOUISIANA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K. Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until then. The Town reports deferred inflows of resources related to the net pension liabilities.

**L. Fund Equity**

The Town has implemented and follows GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority; and
- Unassigned fund balance – amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The Town establishes fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Town through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes). In the general fund, the Town strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

**M. Estimates**

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

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Budgets and Budgetary Accounting

The Town follows procedures established by Louisiana Revised Statute in the preparation and adoption of its annual operating budgets as follows:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Town Council no later than 15 days prior to the beginning of each 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 10 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 adopted through passage of an ordinance prior to the commencement of the year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each year.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budget amounts are as originally adopted or as amended from time to time by the Town Council.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

At December 31, 2022, the municipality had unrestricted cash and cash equivalents totaling \$2,454,733 and restricted cash and cash equivalents of \$2,251,912 as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Demand deposits	\$ 1,656,861	\$ 1,488,882	\$ 3,145,743
Time deposits	797,403	763,030	1,560,433
Cash on hand	<u>469</u>	<u>-</u>	<u>469</u>
Total	<u>\$ 2,454,733</u>	<u>\$ 2,251,912</u>	<u>\$ 4,706,645</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the 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. 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.

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 3 - CASH AND CASH EQUIVALENTS (continued)**

At December 31, 2022, the municipality had \$4,729,989 in deposits (collected bank balances). These deposits are secured from risk by \$1,055,460 of federal deposit insurance and \$3,946,955 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Collectively with the federal deposit insurance and pledged securities, the Town was over collateralized by \$272,425 as of December 31, 2022.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 4 - RECEIVABLES**

Class of Receivable	General Fund	Sales Tax Fund	Enterprise Fund	Total
Taxes:				
Ad valorem	\$ 24,393	\$ -	\$ -	\$ 24,393
Sales	-	139,392	-	139,392
Intergovernmental:				
State	-	-	-	-
Local	-	-	6,318	6,318
Accounts	30,647	-	436,946	467,593
Other	22,870	-	914	23,784
Allowance for uncollectibles	-	-	(144,494)	(144,494)
Total	<u>\$ 77,910</u>	<u>\$ 139,392</u>	<u>\$ 299,684</u>	<u>\$ 516,986</u>

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectible receivable.

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

A summary of individual receivables and payables reflected as "due to/from other funds" as of December 31, 2022, are as follows:

	Interfund	
	Receivable	Payable
General fund	\$ 85,002	\$ 3,026
Nonmajor governmental funds	-	128,808
Enterprise fund	<u>46,832</u>	<u>-</u>
Totals	<u>\$ 131,834</u>	<u>\$ 131,834</u>

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

Interfund transfers during the year ended December 31, 2022, were as follows:

	Operating Transfers	
	In	Out
General fund	\$ 952,069	\$ -
Special revenue fund		1,060,227
Enterprise fund	1,128,158	1,020,000
Totals	<u>\$ 2,080,227</u>	<u>\$ 2,080,227</u>

Transfers are primarily used to move funds from:

1. The Sales Tax Special Revenue Fund to the General Fund to cover payroll expenditures and to the Utility Fund to cover certain expenses of the sewer and water systems.
2. The Utility Fund to the General Fund to cover operating expenditures.

NOTE 6 - CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated	\$ 705,510	\$ -	\$ -	\$ 705,510
Land	\$ 705,510	\$ -	\$ -	\$ 705,510
Total capital assets, not being depreciated				
Capital assets being depreciated				
Buildings	\$ 2,244,780	\$ -	\$ -	\$ 2,244,780
Other improvements	1,600,616	46,135	-	1,646,751
Equipment	1,720,938	-	(56,437)	1,664,501
Infrastructure	5,355,506	-	-	5,355,506
Construction in progress	-	10,000	-	10,000
Total capital assets being depreciated	<u>\$ 10,921,840</u>	<u>\$ 56,135</u>	<u>\$ (56,437)</u>	<u>\$ 10,921,538</u>
Less accumulated depreciation for:				
Buildings	\$ (546,389)	\$ (63,537)	\$ -	\$ (609,926)
Other improvements	(836,118)	(70,942)	-	(907,060)
Equipment	(1,265,829)	(68,584)	55,587	(1,278,826)
Infrastructure	(1,813,259)	(214,545)	-	(2,027,804)
Total accumulated depreciation	<u>\$ (4,461,595)</u>	<u>\$ (417,608)</u>	<u>\$ 55,587</u>	<u>\$ (4,823,616)</u>
Total capital assets being depreciated, net	<u>\$ 6,460,245</u>	<u>\$ (361,473)</u>	<u>\$ (850)</u>	<u>\$ 6,097,922</u>
Total capital assets, net	<u>\$ 7,165,755</u>	<u>\$ (361,473)</u>	<u>\$ (850)</u>	<u>\$ 6,803,432</u>

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

## NOTE 6 -CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type activities:</u>				
Capital assets, not being depreciated	\$ 30,549	\$ -	\$ -	\$ 30,549
Land	\$ 30,549	\$ -	\$ -	\$ 30,549
Total capital assets, not being depreciated				
Capital assets being depreciated				
Sewer disposal system	\$ 4,722,665	\$ 16,209	\$ -	\$ 4,738,874
Natural gas distribution system	2,757,205	19,510	-	2,776,715
Water plant and system	3,464,948	49,349	-	3,514,297
Service equipment	1,003,940	-	-	1,003,940
Construction in progress	-	-	-	-
Total capital assets being depreciated	\$ 11,948,758	\$ 85,068	\$ -	\$ 12,033,826
Less accumulated depreciation for:				
Sewer disposal system	\$ (3,814,566)	\$ (96,351)	\$ -	\$ (3,910,917)
Natural gas distribution system	(2,655,492)	(19,072)	-	(2,674,564)
Water plant and system	(2,295,598)	(85,692)	-	(2,381,290)
Service equipment	(874,618)	(5,270)	-	(879,888)
Total accumulated depreciation	\$ (9,640,274)	\$ (206,385)	\$ -	\$ (9,846,659)
Total capital assets being depreciated, net	\$ 2,308,484	\$ (121,317)	\$ -	\$ 2,187,167
Total capital assets, net	\$ 2,339,033	\$ (121,317)	\$ -	\$ 2,217,716

Depreciation expense of \$417,608 for the year ended December 31, 2022, was charged to the following governmental functions:

General government	\$ 58,894
Public safety:	
Police	33,263
Fire	12,924
Public works:	
Parks and streets	216,457
Sanitation	36,416
Recreation	59,654
Total	\$ 417,608

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 7 – ACCOUNTS, SALARIES, AND OTHER PAYABLES**

Payables at December 31, 2022, are as follows:

	General Fund	Enterprise Fund	Total
Payable from unrestricted assets:			
Accounts, salaries, and other payables	\$ 44,014	\$ 84,770	\$ 128,784
Total payable from unrestricted assets	<u>\$ 44,014</u>	<u>\$ 84,770</u>	<u>\$ 128,784</u>
Payable from restricted assets:			
Meter deposits	\$ -	\$ 165,670	\$ 165,670
Total payable from restricted assets	<u>\$ -</u>	<u>\$ 250,440</u>	<u>\$ 250,440</u>

**NOTE 8 – PENSION PLANS**

Substantially all employees of the Town are members of the Municipal Employees' Retirement System of Louisiana (the System). This system is a cost-sharing, multiple-employer, defined-benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows.

**Municipal Employees' Retirement System of Louisiana**

*Plan Description.* The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All eligible employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who were hired before January 1, 2013, who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 20 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Under Plan A, employees who were hired after January 1, 2013, who retire at or after age 67 with at least seven years of creditable service, at or after age 62 with at least 10 years of creditable service, at or after age 55 with at least 30 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 60 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 8 - PENSION PLANS (continued)

**Municipal Employees' Retirement System of Louisiana (continued)**

*Funding Policy.* Under Plan A, members are required by state statute to contribute 10% as of July 1, 2022, of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The Town's contribution rate was 29.50% from January 1, 2022 through June 30, 2022, and was 29.50% from July 1, 2022 through December 31, 2022. The Town's contribution rate was 29.50% from January 1, 2021 through June 30, 2021, and was 29.50% from July 1, 2021 through December 31, 2021. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute.

As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Town's contributions to the System under Plan A for the year ending December 31, 2022 and 2021, were \$267,227 and 266,411 respectively, equal to the required contributions for those years.

*Actuarial assumptions.* The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation date	June 30, 2022
Actuarial cost method	Entry age normal cost
Expected remaining service lives	3 Years
Investment rate of return	6.85%, net of investment expense
Inflation rate	2.5%
Projected salary increases	
1 to 4 years of service	6.4% (2.5% Inflation, 4.00% Merit)
More than 4 years of service	4.5% (2.5% Inflation, 2.00% Merit)
Mortality rates	PubG-2010(B) Employee Table for Active Members PubG-2010(B) Healthy Retiree Table for Healthy Annuitants PubNS-2010(B) Disabled Retiree Tables for Disabled Annuitants
Cost-of-living adjustments	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.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were 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 of 2.5% and an adjustment for the effect of rebalancing/diversification.

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 8 – PENSION PLANS (continued)

**Municipal Employees’ Retirement System of Louisiana (continued)**

The target allocation and best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2022, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	53%	2.31%
Public fixed income	38%	1.65%
Alternatives	9%	0.39%
Totals	100%	4.35%
Inflation		2.60%
Expected arithmetic nominal return		6.95%

**Municipal Police Employees’ Retirement System of Louisiana**

Eligible employees of the Town participate in the Municipal Police Employees’ Retirement System, which is a cost-sharing, multiple-employer defined-benefit public employee retirement system. The Plan is controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

*Plan description.* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service or has 25 years of creditable service at any age are entitled to a retirement benefit, payable monthly for life, equal to 3¼% of their final-average salary for each year of creditable service. Final-average salary is the employee’s average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees’ Retirement System, 8401 United Plaza Boulevard, Room 270, Baton Rouge, Louisiana 70809-7017.

*Funding policy.* Plan members are required by state statute to contribute 10% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The Town’s contribution rate was 29.75% from January 1, 2022 through June 30, 2022, and was 31.25% from July 1, 2022 through December 31, 2022. The Town’s contribution rate was 33.75% from January 1, 2021 through June 30, 2021, and was 29.75% from July 1, 2021 through December 31, 2021. The contribution requirements of Plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The contributions to the System for the year ending December 31, 2022 and 2021, were \$56,491 and \$57,104, respectively, equal to the required contributions for those years.

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 8 – PENSION PLANS (continued)

**Municipal Police Employees' Retirement System of Louisiana (continued)**

*Actuarial assumptions.* The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the following measurement:

Valuation date	June 30, 2022	
Actuarial cost method	Entry age normal cost	
Investment rate of return	6.750%, net of investment expense	
Expected remaining service lives	Four years	
Inflation rate	2.50%	
Salary increases, including Inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	12.30%
	Above 2	4.70%
Mortality rates	RP-2000 Employee Table for Active Members RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for Healthy Annuitants and Beneficiaries RP-2000 Disabled Lives Mortality Table for Disabled Annuitants	
Cost-of-living adjustments	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.	

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	55.50%	3.60%
Fixed income	30.50%	0.85%
Alternatives	14.00%	0.95%
Totals	100.00%	5.40%
Inflation		2.66%
Expected arithmetic nominal return		8.06%

TOWN OF JENA, LOUISIANA  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 8 - PENSION PLANS (continued)

**Firefighters' Retirement System of Louisiana**

Eligible employees of the Town participate in the Firefighters' Retirement System, which is a cost-sharing, multiple-employer, defined-benefit public employee retirement system. The Plan is controlled and administered by a separate board of trustees. Pertinent information relative to the Plan follows:

*Plan description.* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service or has 25 years of creditable service at any age are entitled to a retirement benefit, payable monthly for life, equal to  $3\frac{1}{4}\%$  of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809.

*Funding policy.* Plan members are required by state statute to contribute 10% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The Town's contribution rate was 33.75% from January 1, 2022 through June 30, 2022, and was 33.25% from July 1, 2022 through December 31, 2022. The Town's contribution rate was 32.25% from January 1, 2021 through June 30, 2021, and was 33.75% from July 1, 2021 through December 31, 2021. The contribution requirements of Plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The contributions to the System for the year ending December 31, 2022 and 2021, were \$48,977 and \$47,022, respectively, equal to the required contributions for those years.

*Actuarial Methods.* For each year, the actuary determines the reasonable range of the actuarial valuation interest rate, an expected long-term portfolio rate of return and standard deviation based upon the System's target asset allocation and a thirty-year time horizon. These rates were based on an analysis of the System's portfolio along with expected long-term rates of return, standard deviations of return, and correlations between asset classes collected from a number of investment consulting firms in addition to the System's investment consultant, NEPC, L.L.C. Using these values and assuming that future portfolio returns are normally distributed, ten thousand trials of returns over the upcoming thirty years was performed. The results of these trials were organized into percentiles and a reasonable range equal to the 40th through 60th percentiles was set. For the fiscal year ended June 30, 2022, the reasonable range was set at 6.03% through 6.90% and the Board of Trustees elected to set the System's assumed rate of return at 7.00% for fiscal year 2022. For the fiscal year ended June 30, 2021, the reasonable range was set at 6.19% through 7.33% and the Board of Trustees elected to set the System's assumed rate of return at 6.90% for Fiscal 2021. The actuarial valuation interest rates selected by the Board, which were within the reasonable range, were 6.90% and 6.90% for fiscal years 2022 and 2021, respectively.

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 8 – PENSION PLANS (continued)

Firefighters' Retirement System of Louisiana (continued)

The remaining actuarial assumptions utilized for this report for fiscal years 2022 and 2021 are based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019, unless otherwise specified in this report.

Additional information on the actuarial methods and assumptions used as of the June 30, 2022 actuarial valuations follows:

Valuation date	June 30, 2022							
Actuarial cost method	Entry age normal cost							
Actuarial assumptions:								
Expected remaining service lives	7 years, over a closed period							
Investment rate of return	6.90%, net of investment expense							
Inflation rate	2.5% per annum							
Mortality rates	RP-2000 Employee Table for Active Members							
	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for Healthy Annuitants and Beneficiaries							
	RP-2000 Disabled Lives Mortality Table for Disabled Annuitants							
Salary increases, including inflation and merit	<table><tr><td><u>Years of Service</u></td><td><u>Salary Growth Rate</u></td></tr><tr><td>1-2</td><td>14.10%</td></tr><tr><td>3 and Over</td><td>5.20%</td></tr></table>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-2	14.10%	3 and Over	5.20%	
<u>Years of Service</u>	<u>Salary Growth Rate</u>							
1-2	14.10%							
3 and Over	5.20%							
Cost-of-living adjustments	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.							

The estimated long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were 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, 2.50%.

**TOWN OF JENA, LOUISIANA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 8 - PENSION PLANS (continued)**

**Firefighters' Retirement System of Louisiana (continued)**

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2022, are summarized in the following table:

Target Asset Asset Class	Portfolio Real Rate Allocation	of Return
U.S. equity	27.50%	5.64%
Non-U.S. equity	11.50%	5.89%
Global equity	10.00%	5.99%
Emerging market equity	7.00%	7.75%
U.S. core fixed income	18.00%	0.84%
U.S. TIPS	3.00%	0.51%
Emerging market debt	5.00%	2.99%
Global tactical asset allocation	0.00%	3.14%
Risk parity	0.00%	3.14%
Private equity	9.00%	8.99%
Real estate	6.00%	4.57%
Real assets	3.00%	4.89%
Totals	<u>100.00%</u>	

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

At December 31, 2022, the Town reported a liability of \$1,962,623, \$587,670, and \$387,038 for its proportionate share of the net pension liability for MERS, MPERS, and MFRS, respectively. The net pension liability was measured as of June 30, 2022, 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 cities, actuarially determined. At June 30, 2022, the Town's proportion was 0.4726%, 0.0575%, and 0.0549% for MERS, MPERS, and MFRS, respectively.

For the year ended December 31, 2022, the Town recognized pension expense of \$236,933, \$138,407, and \$103,593 for MERS, MPERS, and MFRS, respectively. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	MERS	MPERS	MFRS
Changes in proportion and differences between Town contributions and proportionate share of contributions:			
Differences between expected and actual experience	\$ 2,318	\$ 2,898	\$ 2,313
Net difference between projected and actual earnings on pension plan investments	326,573	104,918	87,674
Changes of assumptions	19,014	20,271	31,914
Changes in proportion	38,417	43,754	95,534
Town contributions subsequent to the measurement date	<u>131,455</u>	<u>29,627</u>	<u>24,432</u>
Total deferred outflows of resources	<u>\$ 517,777</u>	<u>\$ 201,468</u>	<u>\$ 241,867</u>

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 8 – PENSION PLANS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>
Deferred inflows of resources:			
Differences between expected and actual experience	\$ 7,517	\$ 4,790	\$ 18,243
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes of assumptions	-	4,371	-
Changes in proportion	<u>28,356</u>	<u>14,380</u>	<u>2,581</u>
Total deferred inflows of resources	<u>\$ 35,873</u>	<u>\$ 23,541</u>	<u>\$ 20,824</u>

\$185,514 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 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>MERS</u>	<u>MPERS</u>	<u>MFRS</u>
Year ended June 30:			
2023	\$ 81,085	\$ 50,704	\$ 66,951
2024	81,503	40,661	60,709
2025	31,251	1,907	18,962
2026	156,610	55,028	48,286
2027	-	-	2,466
Thereafter	-	-	(763)

*Discount Rate.* The discount rate used to measure the total pension liability was 6.85%, 6.75%, and 6.90% for MERS, MPERS, and MFRS, respectively. 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 these 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.

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 8 – PENSION PLANS (continued)**

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

*Sensitivity to Changes in Discount Rate:* The following presents the Town's net pension liability for each of the pension plans calculated using the respective discount rates, as well as what the employer's 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 ate.

**MERS:**

	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.85%	6.85%	7.85%
Net pension liability	\$ 2,610,672	\$ 1,962,623	\$ 1,415,042

**MPERS:**

	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.75%	6.75%	7.75%
Net pension liability	\$ 822,626	\$ 587,670	\$ 391,405

**MFRS:**

	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.90%	6.90%	7.90%
Net pension liability	\$ 572,580	\$ 387,038	\$ 232,283

**NOTE 9 – RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three years.

TOWN OF JENA, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022

**NOTE 10 – SEGMENT INFORMATION FOR UTILITY FUND**

The Enterprise Fund operated by the Town provides water, natural gas, and sewer utility services. The following is a summary of segment information for the Enterprise Fund:

	Water System	Gas System	Sewer System	Total
Operating revenue	\$ 771,296	\$ 823,104	\$ 408,533	\$ 2,002,933
Purchase of natural gas	-	(386,015)	-	(386,015)
Operating expense	(756,078)	(482,906)	(610,900)	(1,850,089)
Depreciation	<u>(87,448)</u>	<u>(20,828)</u>	<u>(98,109)</u>	<u>(206,385)</u>
Operating income (loss)	<u>\$ (72,230)</u>	<u>\$ (66,850)</u>	<u>\$ (300,476)</u>	<u>\$ (439,556)</u>
Nonoperating revenues (expenses)				
Interest income				\$ 8,164
Operating transfers – in				1,128,158
Operating transfers – out				<u>(1,020,000)</u>
Net decrease in net position				<u>\$ (323,234)</u>

**NOTE 11 – CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; although, the Town expects such amounts, if any, to be immaterial.

**NOTE 12 – EVALUATION OF SUBSEQUENT EVENTS**

The Town has evaluated subsequent events through May 12, 2023, the date the financial statements were available to be issued.

## REQUIRED SUPPLEMENTARY INFORMATION (PART II)

TOWN OF JENA, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 227,900	\$ 227,900	\$ 279,260	\$ 51,360
Licenses and permits	216,200	216,200	200,274	(15,926)
Intergovernmental revenue	29,557	29,557	54,263	24,706
Charges for services	159,900	159,900	155,947	(3,953)
Fines and forfeitures	70,000	70,000	59,715	(10,285)
Grants and contributions	16,700	16,700	11,122	(5,578)
Other	6,190	6,190	38,235	32,045
Total revenues	<u>\$ 726,447</u>	<u>\$ 726,447</u>	<u>\$ 798,816</u>	<u>\$ 72,369</u>
<b>Expenditures</b>				
Current:				
General government	\$ 385,505	\$ 385,505	\$ 376,804	\$ 8,701
Public safety:				
Police	562,812	562,812	501,992	60,820
Fire	249,650	249,650	269,992	(20,342)
Animal control	4,500	4,500	-	4,500
Public works:				
Parks and streets	739,300	739,300	529,714	209,586
Sanitation	-	-	-	-
Recreation	41,050	41,050	45,467	(4,417)
Total expenditures	<u>\$ 1,982,817</u>	<u>\$ 1,982,817</u>	<u>\$ 1,723,969</u>	<u>\$ 258,848</u>
<b>Deficiency of revenues before operating transfers</b>	<u>\$ (1,256,370)</u>	<u>\$ (1,256,370)</u>	<u>\$ (925,153)</u>	<u>\$ 331,217</u>
<b>Other financing sources</b>				
Operating transfers - in	\$ 1,260,000	\$ 1,260,000	\$ 952,069	\$ (307,931)
Total other financing sources	<u>\$ 1,260,000</u>	<u>\$ 1,260,000</u>	<u>\$ 952,069</u>	<u>\$ (307,931)</u>
<b>Net change in fund balance</b>	\$ 3,630	\$ 3,630	\$ 26,916	\$ 23,286
<b>Fund balance - beginning of year</b>	<u>286,139</u>	<u>286,139</u>	<u>286,139</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u><u>\$ 289,769</u></u>	<u><u>\$ 289,769</u></u>	<u><u>\$ 313,055</u></u>	<u><u>\$ 23,286</u></u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,302,978	\$ 102,978
Interest	1,200	5,500	5,550	50
Total revenues	<u>\$ 1,201,200</u>	<u>\$ 1,205,500</u>	<u>\$ 1,308,528</u>	<u>\$ 103,028</u>
<b>Expenditures</b>				
Current:				
General government	\$ 17,000	\$ 21,500	\$ 20,793	\$ 707
Total expenditures	<u>\$ 17,000</u>	<u>\$ 21,500</u>	<u>\$ 20,793</u>	<u>\$ 707</u>
Excess of revenues before operating transfers	<u>\$ 1,184,200</u>	<u>\$ 1,184,000</u>	<u>\$ 1,287,735</u>	<u>\$ 103,735</u>
Other financing uses				
Operating transfers - out	\$ (1,604,000)	\$ (1,060,000)	\$ (1,060,227)	\$ (227)
Total other financing uses	<u>\$ (1,604,000)</u>	<u>\$ (1,060,000)</u>	<u>\$ (1,060,227)</u>	<u>\$ (227)</u>
Net change in fund balance	\$ (419,800)	\$ 124,000	\$ 227,508	\$ 103,508
Fund balance - beginning of year	<u>1,569,548</u>	<u>1,569,548</u>	<u>1,569,548</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,149,748</u>	<u>\$ 1,693,548</u>	<u>\$ 1,797,056</u>	<u>\$ 103,508</u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2022

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the Town Council. Amendments can be made on the approval of the Town Council. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America.

TOWN OF JENA, LOUISIANA

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
<b>MERS:</b>								
Town's proportion of the net pension liability (asset)	0.47%	0.46%	0.48%	0.51%	0.57%	0.62%	0.65%	0.65%
Town's proportionate share of the net pension liability (asset)	\$ 1,962,623	\$ 1,268,538	\$ 2,067,476	\$ 2,135,474	\$ 2,358,435	\$ 2,612,923	\$ 2,658,547	\$ 2,326,363
Town's covered-employee payroll	\$ 905,854	\$ 903,090	\$ 894,631	\$ 929,054	\$ 1,097,693	\$ 1,095,538	\$ 1,132,010	\$ 1,046,194
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	216.66%	140.47%	222.54%	194.09%	215.28%	230.82%	254.12%	214.42%
Plan fiduciary net position as a percentage of the total pension liability	67.87%	77.82%	64.52%	64.68%	63.94%	62.49%	62.11%	68.71%
<b>MPERS:</b>								
Town's proportion of the net pension liability (asset)	0.056%	0.060%	0.052%	0.047%	0.039%	0.041%	0.046%	0.046%
Town's proportionate share of the net pension liability (asset)	\$ 587,670	\$ 320,009	\$ 481,978	\$ 428,537	\$ 332,067	\$ 360,278	\$ 426,173	\$ 357,040
Town's covered-employee payroll	\$ 185,106	\$ 179,530	\$ 181,181	\$ 141,413	\$ 135,414	\$ 124,898	\$ 109,020	\$ 144,768
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	317.48%	178.25%	340.83%	316.46%	265.87%	330.47%	294.57%	354.56%
Plan fiduciary net position as a percentage of the total pension liability	70.80%	86.78%	70.94%	71.01%	71.87%	70.08%	66.04%	70.73%
<b>MFRS:</b>								
Town's proportion of the net pension liability (asset)	0.055%	0.055%	0.054%	0.055%	0.044%			
Town's proportionate share of the net pension liability (asset)	\$ 387,038	\$ 193,193	\$ 374,227	\$ 343,015	\$ 254,944			
Town's covered-employee payroll	\$ 146,208	\$ 142,612	\$ 132,198	\$ 121,726	\$ 118,685			
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	264.72%	135.47%	307.43%	289.01%	213.79%			
Plan fiduciary net position as a percentage of the total pension liability	74.68%	72.61%	72.61%	73.96%	74.76%			

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
<b>MERS:</b>								
Contractually required contribution	\$ 267,227	\$ 266,411	\$ 256,054	\$ 253,615	\$ 249,009	\$ 259,871	\$ 240,733	\$ 226,576
Contributions in relation to the contractually required contribution	(267,227)	(266,411)	(256,054)	(253,615)	(249,009)	(259,871)	(240,733)	(226,576)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 905,854	\$ 903,090	\$ 894,631	\$ 929,024	\$ 1,097,693	\$ 1,095,538	\$ 1,132,010	\$ 1,046,194
Contributions as a percentage of covered-employee payroll	29.50%	29.50%	28.62%	27.30%	22.68%	23.72%	21.27%	21.66%
<b>MPERS:</b>								
Contractually required contribution	\$ 56,491	\$ 57,104	\$ 60,019	\$ 45,782	\$ 42,791	\$ 39,083	\$ 33,307	\$ 44,132
Contributions in relation to the contractually required contribution	(56,491)	(57,104)	(60,019)	(45,782)	(42,791)	(39,083)	(33,307)	(44,132)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 185,106	\$ 179,530	\$ 181,181	\$ 141,413	\$ 135,414	\$ 124,898	\$ 109,020	\$ 144,768
Contributions as a percentage of covered-employee payroll	30.52%	31.81%	33.13%	32.37%	31.60%	31.29%	30.55%	30.48%
<b>MFRS:</b>								
Contractually required contribution	\$ 48,977	\$ 47,022	\$ 39,640	\$ 100,269	\$ 48,172			
Contributions in relation to the contractually required contribution	(48,977)	(47,022)	(39,640)	(100,269)	(48,172)			
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -			
Town's covered-employee payroll	\$ 146,208	\$ 142,612	\$ 132,198	\$ 121,726	\$ 118,685			
Contributions as a percentage of covered-employee payroll	33.50%	32.97%	30.00%	82.37%	40.59%			

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

## OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF JENA, LOUISIANA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

	NonMajor Fiduciary Funds			Total Other Governmental Funds
	Accounts Payable Clearing Fund	Payroll Clearing Fund	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 65,926	\$ 62,882	\$ 128,808	\$ 128,808
Total assets	<u>\$ 65,926</u>	<u>\$ 62,882</u>	<u>\$ 128,808</u>	<u>\$ 128,808</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Due to other funds	\$ 65,926	\$ 62,882	\$ 128,808	\$ 128,808
Total liabilities	<u>\$ 65,926</u>	<u>\$ 62,882</u>	<u>\$ 128,808</u>	<u>\$ 128,808</u>
<b>Fund balances:</b>				
Reserved for capital projects	\$ -	\$ -	\$ -	\$ -
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balances	<u>\$ 65,926</u>	<u>\$ 62,882</u>	<u>\$ 128,808</u>	<u>\$ 128,808</u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA  
NONMAJOR GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2022

	NonMajor Fiduciary Funds	Total Other Governmental Funds
<b><u>REVENUES</u></b>		
Grants	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>
<b><u>EXPENDITURES</u></b>		
Capital expenditures	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>
<b><u>OTHER FINANCING SOURCES</u></b>		
Operating transfer to general fund	\$ -	\$ -
Total other financial sources	<u>\$ -</u>	<u>\$ -</u>
Excess of expenditures over revenues and other financing sources	\$ -	\$ -
Fund balance - beginning of year	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

COMPARATIVE/COMBINING FINANCIAL STATEMENTS AND SCHEDULES

## GENERAL FUND

This is the general operating fund of the Town and is used to account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

TOWN OF JENA, LOUISIANA  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2022 AND 2021

	2022	2021
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 170,420	\$ 76,022
Receivables (net of allowance for doubtful accounts):		
Accounts	30,647	44,145
Taxes	24,393	28,989
Governmental	-	1,724
Other	22,870	79,219
Other assets	26,763	11,346
Due from other funds	85,002	91,016
	<hr/>	<hr/>
Total assets	\$ 360,095	\$ 332,461
	<hr/>	<hr/>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
<b><u>LIABILITIES</u></b>		
Accounts payable and accrued liabilities	\$ 44,014	\$ 41,741
Due to other funds	3,026	4,581
	<hr/>	<hr/>
Total liabilities	\$ 47,040	\$ 46,322
	<hr/>	<hr/>
<b><u>FUND BALANCE</u></b>		
Unassigned fund balance	\$ 313,055	\$ 286,139
	<hr/>	<hr/>
Total fund balance	\$ 313,055	\$ 286,139
	<hr/>	<hr/>
Total liabilities and fund balance	\$ 360,095	\$ 332,461
	<hr/>	<hr/>

See Independent Auditor's Report.

## TOWN OF JENA, LOUISIANA

## GENERAL FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2021

	2022	2021
<b><u>REVENUES</u></b>		
Taxes	\$ 279,260	\$ 228,666
Licenses and permits	200,274	182,444
Intergovernmental	54,263	40,525
Charges for services	155,947	289,909
Fines and forfeitures	59,715	57,089
Grants and contributions	11,122	40,605
Other revenues	38,235	15,052
Total revenues	\$ 798,816	\$ 854,290
<b><u>EXPENDITURES</u></b>		
General government	\$ 376,804	\$ 342,947
Public safety:		
Police	501,992	472,505
Fire	269,992	384,854
Public works:		
Parks and streets	529,714	1,078,844
Sanitation	-	104,179
Recreation	45,467	28,683
Total expenditures	\$ 1,723,969	\$ 2,412,012
Revenues under expenditures	\$ (925,153)	\$ (1,557,722)
<b><u>OTHER FINANCING SOURCES</u></b>		
Operating transfers - in	\$ 952,069	\$ 1,457,202
Total other financing sources	\$ 952,069	\$ 1,457,202
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ 26,916	\$ (100,520)
Fund balance - beginning of year	286,139	386,659
Fund balance - end of year	\$ 313,055	\$ 286,139

See Independent Auditor's Report.

## SALES TAX SPECIAL REVENUE FUND

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sales tax special revenue fund is used to account for revenues generated by the 1% sales and use tax. Proceeds are first dedicated to any debt service, if applicable.

TOWN OF JENA, LOUISIANA  
SALES TAX SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash	\$ 1,241,769	\$ 1,026,828
Temporary investments (at cost)	415,895	411,762
Accounts receivable - sales tax	<u>139,392</u>	<u>130,958</u>
Total assets	<u>\$ 1,797,056</u>	<u>\$ 1,569,548</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund balance		
Restricted fund balance	<u>\$ 1,797,056</u>	<u>\$ 1,569,548</u>
Total fund balances	<u>\$ 1,797,056</u>	<u>\$ 1,569,548</u>
Total liabilities and fund balance	<u>\$ 1,797,056</u>	<u>\$ 1,569,548</u>

See Independent Auditor's Report.

## TOWN OF JENA, LOUISIANA

## SALES TAX SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2022

WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2021

	2022	2021
<b><u>REVENUES</u></b>		
Taxes	\$ 1,302,978	\$ 1,226,599
Interest	5,550	11,476
Total revenues	\$ 1,308,528	\$ 1,238,075
<b><u>EXPENDITURES</u></b>		
Current - general government		
Operating expense	\$ 6,212	\$ 6,153
Collection expense	14,581	8,573
Total expenditures	\$ 20,793	\$ 14,726
Excess of revenues over expenditures	\$ 1,287,735	\$ 1,223,349
<b><u>OTHER FINANCING USES</u></b>		
Operating transfers - out	\$ (1,060,227)	\$ (1,399,452)
Total other financing uses	\$ (1,060,227)	\$ (1,399,452)
Excess (deficiency) of revenues over expenditures and other financing uses	\$ 227,508	\$ (176,103)
Fund balances - beginning of year	1,569,548	1,745,651
Fund balances - end of year	\$ 1,797,056	\$ 1,569,548

See Independent Auditor's Report.

## CAPITAL PROJECTS FUND

### LCDBG Public Facilities Program

This fund accounts for the financing and construction of street improvements in the Town; financing to be provided by general revenues, excess sales tax revenues, and by a federal grant.

TOWN OF JENA, LOUISIANA  
 CAPITAL PROJECTS FUND  
 LCDBG PUBLIC FACILITIES PROGRAM  
 COMPARATIVE BALANCE SHEET  
 DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<b><u>ASSETS</u></b>		
Cash	\$ 629,227	\$ 10
Total assets	<u>\$ 629,227</u>	<u>\$ 10</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Restricted fund balance	<u>\$ 629,227</u>	<u>\$ 10</u>
Total liabilities and fund balance	<u><u>\$ 629,227</u></u>	<u><u>\$ 10</u></u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA  
CAPITAL PROJECTS FUND  
LCDBG PUBLIC FACILITIES PROGRAM

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2021

	2022	2021
<b><u>REVENUES</u></b>		
Capital grants	\$ 629,217	\$ -
Total revenues	\$ 629,217	\$ -
<b><u>EXPENDITURES</u></b>		
Capital expenditures	\$ -	\$ -
Total expenditures	\$ -	\$ -
Revenues under expenditures	\$ 629,217	\$ -
<b><u>OTHER FINANCING SOURCES</u></b>		
Total other financing sources	\$ -	\$ -
Excess of revenues and other financing sources over expenditures	\$ 629,217	\$ -
Fund balance - beginning of year	10	10
Fund balance - end of year	<u>\$ 629,227</u>	<u>\$ 10</u>

See Independent Auditor's Report.

## UTILITY SYSTEM ENTERPRISE FUND

Enterprise funds are used for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Utility system enterprise fund is used to account for operations of the natural gas distribution system, water distribution system, and sewer services provided to the residents of the Town and to certain surrounding areas. 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, billing, and collection.

TOWN OF JENA, LOUISIANA  
ENTERPRISE FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2022 AND 2021

	2022	2021
<b><u>ASSETS</u></b>		
Current assets		
Cash	\$ 1,110,383	\$ 1,325,376
Receivables:		
Accounts (net of allowance for doubtful accounts)	292,462	235,406
Intergovernmental	6,318	5,943
Other	904	904
Due from other funds	46,832	56,507
Prepaid expenses	64,705	103,027
Inventory	137,032	114,280
Total current assets	\$ 1,658,636	\$ 1,841,443
Noncurrent assets		
Restricted assets		
Meter deposit account	\$ 176,724	\$ 168,961
Temporary investments (at cost)	381,508	378,660
Utility system improvement deposit accounts	451,911	426,114
Total restricted assets	\$ 1,010,143	\$ 973,735
Fixed assets		
Property, plant, and equipment	\$ 12,064,375	\$ 11,979,306
Accumulated depreciation	(9,846,659)	(9,640,273)
Fixed assets (net of accumulated depreciaton)	\$ 2,217,716	\$ 2,339,033
Total assets	\$ 4,886,495	\$ 5,154,211

- continued -

TOWN OF JENA, LOUISIANA  
ENTERPRISE FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<b><u>LIABILITIES</u></b>		
Current liabilities (payable from current assets)		
Accounts payable and accrued wages	\$ 84,770	\$ 37,164
Total current liabilities (payable from current assets)	\$ 84,770	\$ 37,164
Current liabilities (payable from restricted assets)		
Payable from meter deposit account		
Meter deposits	\$ 165,670	\$ 157,758
Total current liabilities (payable from restricted assets)	\$ 165,670	\$ 157,758
Total current liabilities	\$ 250,440	\$ 194,922
Total liabilities	\$ 250,440	\$ 194,922
<b><u>NET POSITION</u></b>		
Investment in capital assets, net of related debt	\$ 2,217,716	\$ 2,339,033
Unrestricted	2,418,339	2,620,256
Total net position	\$ 4,636,055	\$ 4,959,289
Total liabilities and net position	\$ 4,886,495	\$ 5,154,211

See Independent Auditor's Report.

## TOWN OF JENA, LOUISIANA

ENTERPRISE FUND  
MUNICIPAL UTILITIES SYSTEMCOMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES  
ALL DEPARTMENTS

YEAR ENDED DECEMBER 31, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2021

	2022	2021
<b><u>OPERATING REVENUES</u></b>		
Charges for sales and services	\$ 1,940,677	\$ 1,850,469
Other operating revenue	62,256	50,353
Total operating revenues	\$ 2,002,933	\$ 1,900,822
<b><u>OPERATING EXPENSES</u></b>		
Natural gas purchases	\$ 386,015	\$ 263,336
Salaries	580,061	581,823
Employee benefits	324,560	319,846
Payroll taxes	8,402	9,022
Operating supplies	336,190	234,728
Gas and oil	38,047	25,497
Utilities	101,374	86,291
Telephone	15,439	13,337
Repairs and maintenance	169,641	108,873
Depreciation	206,385	205,645
Training	21,959	2,533
Uniform rental	9,384	8,888
Professional fees	36,779	25,764
Office expense	18,004	13,362
Insurance	102,268	102,931
Dues and subscriptions	980	475
Lab reports and surveys	47,049	51,302
Drug testing	1,111	907
Bad debts/recoveries	1,715	7,723
Miscellaneous	37,126	28,900
Total operating expenses	\$ 2,442,489	\$ 2,091,183
Operating income (loss)	\$ (439,556)	\$ (190,361)

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA  
ENTERPRISE FUND  
MUNICIPAL UTILITIES SYSTEM

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES  
WATER SYSTEM

YEAR ENDED DECEMBER 31, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2021

	2022	2021
<b><u>OPERATING REVENUES</u></b>		
Charges for sales and services	\$ 747,322	\$ 742,018
Other operating revenue	23,974	20,191
	<hr/>	<hr/>
Total operating revenues	\$ 771,296	\$ 762,209
	<hr/>	<hr/>
<b><u>OPERATING EXPENSES</u></b>		
Salaries	\$ 192,135	\$ 191,950
Employee benefits	109,156	95,855
Payroll taxes	2,816	3,057
Operating supplies	185,360	132,164
Gas and oil	18,936	10,704
Utilities	43,472	27,216
Telephone	9,634	8,160
Repairs and maintenance	98,045	69,296
Depreciation	87,448	84,173
Training	2,001	2,163
Uniform rental	3,039	2,583
Professional fees	16,151	12,794
Office expense	13,599	10,207
Insurance	28,422	38,227
Dues and subscriptions	425	425
Lab reports and surveys	17,838	17,932
Bad debts/recoveries	592	2,694
Miscellaneous	14,457	10,468
	<hr/>	<hr/>
Total operating expenses	\$ 843,526	\$ 720,068
	<hr/>	<hr/>
Operating income (loss)	\$ (72,230)	\$ 42,141
	<hr/>	<hr/>

See Independent Auditor's Report.

## TOWN OF JENA, LOUISIANA

ENTERPRISE FUND  
MUNICIPAL UTILITIES SYSTEMCOMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES  
NATURAL GAS SYSTEM

YEAR ENDED DECEMBER 31, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2021

	2022	2021
<b><u>OPERATING REVENUES</u></b>		
Charges for sales and services	\$ 797,520	\$ 727,487
Other operating revenue	25,584	19,796
Total operating revenues	\$ 823,104	\$ 747,283
<b><u>OPERATING EXPENSES</u></b>		
Natural gas purchases	\$ 386,015	\$ 263,336
Salaries	158,561	158,295
Employee benefits	116,076	129,333
Payroll taxes	2,287	2,577
Operating supplies	42,432	28,879
Gas and oil	17,982	13,033
Utilities	7,077	14,528
Telephone	2,930	2,495
Repairs and maintenance	26,005	14,965
Depreciation	20,828	22,716
Training	19,208	-
Uniform rental	2,828	2,328
Professional fees	13,112	6,672
Office expense	4,229	2,503
Insurance	30,691	41,525
Dues and subscriptions	445	50
Lab reports and surveys	18,647	20,157
Drug testing	1,111	907
Bad debts/recoveries	625	2,678
Miscellaneous	18,865	15,939
Total operating expenses	\$ 889,954	\$ 742,916
Operating income (loss)	\$ (66,850)	\$ 4,367

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA  
ENTERPRISE FUND  
MUNICIPAL UTILITIES SYSTEM

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES  
SEWER SYSTEM

YEAR ENDED DECEMBER 31, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2021

	2022	2021
<b><u>OPERATING REVENUES</u></b>		
Charges for sales and services	\$ 395,835	\$ 380,964
Other operating revenue	12,698	10,366
	<hr/>	<hr/>
Total operating revenues	\$ 408,533	\$ 391,330
	<hr/>	<hr/>
<b><u>OPERATING EXPENSES</u></b>		
Salaries	\$ 229,365	\$ 231,578
Employee benefits	99,328	94,658
Payroll taxes	3,299	3,388
Operating supplies	108,398	73,685
Gas and oil	1,129	1,760
Utilities	50,825	44,547
Telephone	2,875	2,682
Repairs and maintenance	45,591	24,612
Depreciation	98,109	98,756
Training	750	370
Uniform rental	3,517	3,977
Professional fees	7,516	6,298
Office expense	176	652
Insurance	43,155	23,179
Dues and subscriptions	110	-
Lab reports and surveys	10,564	13,213
Bad debts/recoveries	498	2,351
Miscellaneous	3,804	2,493
	<hr/>	<hr/>
Total operating expenses	\$ 709,009	\$ 628,199
	<hr/>	<hr/>
Operating income (loss)	\$ (300,476)	\$ (236,869)
	<hr/>	<hr/>

See Independent Auditor's Report.

**FIDUCIARY FUNDS  
(AGENCY)**

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds.

Agency Funds

Accounts Payable Clearing Fund – to account for the collection and payment of purchases from vendors and suppliers.

Payroll Clearing Fund – to account for the collection and payment of employee compensation and payroll deductions to the appropriate agencies.

TOWN OF JENA, LOUISIANA  
FIDUCIARY FUNDS  
COMBINING BALANCE SHEETS  
DECEMBER 31, 2022

WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2021

	Agency Funds		Totals	
	Accounts Payable Clearing Fund	Payroll Clearing Fund	2022	2021
<b><u>ASSETS</u></b>				
Cash	\$ 65,926	\$ 62,882	\$ 128,808	\$ 142,942
Total assets	<u>\$ 65,926</u>	<u>\$ 62,882</u>	<u>\$ 128,808</u>	<u>\$ 142,942</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities				
Due to other funds	\$ 65,926	\$ 62,882	\$ 128,808	\$ 142,942
Total liabilities	<u>\$ 65,926</u>	<u>\$ 62,882</u>	<u>\$ 128,808</u>	<u>\$ 142,942</u>
Fund balance				
Unreserved, undesignated	\$ -	\$ -	\$ -	\$ -
Total fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balance	<u>\$ 65,926</u>	<u>\$ 62,882</u>	<u>\$ 128,808</u>	<u>\$ 142,942</u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD AND GOVERNING BOARD

FOR THE YEAR ENDED DECEMBER 31, 2022

Agency Head: The Honorable LaDawn Edwards, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 55,942
Benefits - health insurance	9,363
Benefits - workmen's compensation insurance	256
Benefits - retirement	15,011
Vehicle allowance	8,400
Travel - general	<u>3,188</u>
Total	<u>\$ 92,160</u>

COMPENSATION PAID TO MAYOR AND TOWN COUNCIL

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following reflects compensation paid to the Mayor and members of the Town Council of Town of Jena, Louisiana for the year ending December 31, 2022:

Mayor, LaDawn Edwards	\$ 49,000
Town Council:	
David Chapman	4,800
Donald G. Richardson	4,800
David Paul Jones	4,800
Tommy Sandifer	4,800
Charles Francis	<u>4,800</u>
Total	<u>\$ 73,000</u>

TOWN OF JENA, LOUISIANA  
LLA ENTITY ID: 2271.00

**JUSTICE SYSTEM FUNDING REPORTING SCHEDULE—COLLECTING/DISBURSING ENTITY  
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION—  
CASH BASIS PRESENTATION**

FOR THE YEAR ENDED DECEMBER 31, 2022

	First Six Month Period Ended <u>June 30, 2022</u>	Second Six Month Period Ended <u>December 31, 2022</u>
<b>Beginning Balance of Amounts Collected</b>	\$ -	\$ -
<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	38,828	20,888
Restitution	-	-
Probation/parole/supervision fees	-	-
Service/collection fees (e.g. credit card fees, report fees, third-party service fees)	-	-
Interest earnings on collected balances	-	-
Other	-	-
<b>Subtotal Collections</b>	<u>\$ 38,828</u>	<u>\$ 20,888</u>
<b>Less: Disbursements to Governments and Nonprofits</b>		
Town of Jena Police, Louisiana Judicial College	\$ 52	\$ 27
Town of Jena Police, LCLE Statutory Dedicated Funds	310	179
Town of Jena Police, Central Louisiana Juvenile Detention Facility	773	398
Town of Jena Police, Louisiana Traumatic Head and Spinal Cord Injury Fund	100	40
Town of Jena Police, North Louisiana Criminalistic Laboratory Commission	1,960	1,030
Town of Jena Police, Trial Court Case Management Information system	315	160
<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 others Based on fixed amount	-	-
Amounts “self-disbursed” to collecting agency		
Town of Jena criminal fines—other	35,318	19,054

Town of Jena, Louisiana  
LLA Entity ID: 2271.00

**JUSTICE SYSTEM FUNDING REPORTING SCHEDULE – COLLECTING/DISBURSING ENTITY  
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION –  
CASH BASIS PRESENTATION**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

	First Six Month Period Ended <u>June 30, 2022</u>	Second Six Month Period Ended <u>December 31, 2022</u>
<b>Less: Disbursements to Individuals/Third Party Collection or Processing Agencies</b>		
Civil fee refunds	\$ -	\$ -
Bond fee refunds	-	-
Restitution payments to individuals	-	-
Other disbursements to individuals	-	-
Payments to third-party collection/processing agencies	<u>-</u>	<u>-</u>
 <b>Subtotal Disbursements/Retainage</b>	 <u>\$ 38,828</u>	 <u>\$ 20,888</u>
 <b>Total: Ending Balance of Amounts Collected but Not Disbursed/Retained</b>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>
 <b>Other Information:</b>		
Ending balance of amounts assessed but not yet collected	<u>\$ -</u>	<u>\$ -</u>
 Total waivers during the fiscal period	 <u>\$ -</u>	 <u>\$ -</u>

OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
AND THE UNIFORM GUIDANCE



209 N. Commerce St.  
Natchez, MS 39120  
P. O. Box 1027  
Natchez, MS 39121  
Tel: 601-442-7411  
Fax: 601-442-8551

2120 Forsythe Ave.  
Monroe, LA 71201  
P. O. Box 4550  
Monroe, LA 71211  
Tel: 318-323-4481  
Fax: 318-323-2188

[www.silassimmons.com](http://www.silassimmons.com)

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

The Honorable LaDawn Edwards, Mayor  
and Members of the Town Council  
Town of Jena, Louisiana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Jena, Louisiana as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Town of Jena, Louisiana's basic financial statements, and have issued our report thereon dated May 12, 2023.

*Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered Town of Jena, Louisiana's internal control over financial reporting (internal control) to determine the 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 Town of Jena, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Jena, Louisiana's internal control.

*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 misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*Compliance and Other Matters*

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

*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 Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Silas Simmons, LLP".

Natchez, Mississippi  
May 12, 2023

TOWN OF JENA, LOUISIANA  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2022

Section I: Summary of Auditor's Reports

A. Financial Statements:

- |  |            |
|--|------------|
| 1. Type of auditor's report issued on the financial statements | Unmodified |
|--|------------|

B. Report on Internal Control and Compliance Material to the Financial Statements:

1. Internal control over financial reporting:

- |  |               |
|--|---------------|
| a. Material weakness(es) identified?   | None reported |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |

2. Compliance:

- |   |               |
|---|---------------|
| a. Material noncompliance relating to the financial statements? | None reported |
|---|---------------|

TOWN OF JENA, LOUISIANA  
STATUS OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Reference No.</u>	<u>Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Action/Partial Corrective Action Taken</u>
Section I – Internal Control and Compliance Material to the Financial Statements:				
	None			
Section II – Internal Control:				
	None			
Section III – Management Letter:				
	None			

TOWN OF JENA, LOUISIANA

CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLANNED

FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Reference No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
Section I – Internal Control and Compliance Material to the Financial Statements:				
	None			
Section II – Internal Control and Compliance Material to Federal Awards:				
	None			
Section III – Management Letter:				
	None			

## AGREED-UPON PROCEDURES REPORT



209 N. Commerce St.  
Natchez, MS 39120  
P. O. Box 1027  
Natchez, MS 39121  
Tel: 601-442-7411  
Fax: 601-442-8551

2120 Forsythe Ave.  
Monroe, LA 71201  
P. O. Box 4550  
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Tel: 318-323-4481  
Fax: 318-323-2188

[www.silassimmons.com](http://www.silassimmons.com)

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Town of Jena, Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures in the attached supplement, which were agreed to by the Town of Jena, Louisiana enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022, through December 31, 2022. Town of Jena, Louisiana's management is responsible for those control and compliance areas identified in the SAUPs.

The Town of Jena, Louisiana has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the control and compliance areas identified in LLA's SAUPs for the fiscal period January 1, 2022, through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are included in the supplement to this report

We were engaged by the Town of Jena, Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Jena, Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Silas Simmons, LLP*

Natchez, Mississippi  
May 12, 2023

**TOWN OF JENA, LOUISIANA  
SCHEDULE OF PROCEDURES AND FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Written Policies and Procedures**

---

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) **Budgeting**; including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**; including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**; including processing, reviewing, and approving.
  - d) **Receipts/Collections**; including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation, etc.).
  - e) **Payroll/Personnel**; including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
  - f) **Contracting**; including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**; including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases, etc.).
  - h) **Travel and Expense Reimbursement**; including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  - i) **Ethics**; including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
  - j) **Debt Service**; including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - k) **Information Technology Disaster Recovery/Business Continuity**; including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
  - l) **Sexual Harassment**; including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Findings:** We reviewed the written policies and procedures for the related functions listed above in the procedures. Through our procedures, we were able to verify that the Town has written policies and procedures for the related topics.

No exceptions were noted to the above procedures.

## Board or Finance Committee

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2. Obtain and inspect the Board/Finance Committee minutes for the fiscal period, as well as the Board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the Board/Finance Committee met with a quorum at least monthly, or on a frequency in accordance with the Board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund; quarterly budget-to-actual, at a minimum, on proprietary funds; and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public fund, if those public funds comprised more than 10% of the entity's collections during the fiscal period.
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Findings:** We obtained a copy of the Town's minutes for the fiscal period. We reviewed the minutes to determine whether the managing board met on a frequency in accordance with the Board's enabling legislation, charter, or equivalent document. We reviewed the minutes to determine whether they referenced or included monthly budget-to-actual comparisons. We obtained a copy of the prior year audit report and observed the unrestricted fund balance in the general fund as being positive.

No exceptions were noted to the above procedures.

## Bank Reconciliations

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged, etc.);
  - b) Bank reconciliations include evidence that a member of management/Board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged, etc.); and
  - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Findings:** We obtained a listing of bank accounts from the list management gave for bank confirmations and had management identify the main operating bank account. We selected the main operating bank account and randomly selected four additional bank accounts. We obtained the related bank statements and randomly selected one month from the fiscal period to review whether bank reconciliations had been prepared within two months of the related statement closing date, included evidence of a member of management unrelated to cash the cash collection/disbursement process had reviewed each bank reconciliation, and included documentation that management has researched reconciling items that have been outstanding for more than 12 months from the closing date.

No exceptions were noted during the above procedures.

### Collections (excluding electronic funds transfers)

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).

**Findings:** We reviewed a listing of deposit sites for the fiscal period and management's representation that the listing was complete. The Town only has one deposit site.

No exceptions were noted on the above procedures.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

**Findings:** We obtained a listing of collection locations and management's representation that the listing is complete. The Town has only one collection location at the one deposit site. We obtained written policies and procedures and inquired of management and employees to determine whether employees who are responsible for cash collections do not share cash drawers/registers, do not prepare/make bank deposits, and are not responsible for posting collection entries to the general ledger or subsidiary ledgers, and employees responsible for reconciling cash collections to the general ledger or subsidiary ledger(s) are not responsible for collecting cash.

Through our procedures, we noted that the cash registers are shared amongst employees because there are more employees that can collect cash at one time than cash registers, in case an employee has to perform another duty.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

**Findings:** We inquired of management to determine if they are covered by a bond or insurance policy for theft to determine that there is a blanket policy covering theft.

No exceptions to the above procedures.

7. Randomly select two deposit dates for each of the five bank accounts selected for Procedure 3 under "Bank Reconciliations" (select the next deposit date chronologically, if no deposits were made on the dates randomly selected, and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

**Findings:** We randomly selected two deposit dates for each of the five bank accounts selected under Procedure 3 and performed the procedures above by observing that receipts are sequentially pre-numbered and traced to collection documentation and the bank statements. We observed that deposits were made within one business day of receipt and that the deposits were traced from the bank statements to the general ledger.

No exceptions were noted during the above procedures.

#### Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).

**Findings:** We obtained a listing of locations that process payments and management's representation that the listing is complete. The Town has one location for processing payments.

No exceptions were noted during the above procedures.

9. For each location selected under Procedure 8, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Findings:** Using the Town's only location, we inquired of employees involved with non-payroll purchasing and payment functions and obtained written policies and procedures.

No exceptions were noted during the above procedures.

10. For each location selected under Procedure 8, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under Procedure 9, as applicable.

**Findings:** For each location from Procedure 8, we obtained the nonpayroll disbursement transaction population and management's representation that the population is complete. We randomly selected five disbursements and obtained the documentation that the disbursement matched the related original invoice and that the related documentation included evidence of segregation of duties tested under Procedure 9.

No exceptions were noted during the above procedures.

#### Credit Cards/Debit Cards/Fuel Cards/P-Cards

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-Cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**Findings:** We obtained a listing of all active cards from management and management's representation that the listing was complete. The Town has six accounts for cards.

No exceptions were noted during the above procedures.

12. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

**Findings:** We selected the monthly statements for the five accounts for one month randomly selected and observed that the statements were reviewed and approved.

No exceptions were noted during the above procedures.

13. Using the monthly statements or combined statements selected under Procedure 12, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Findings:** For four of the statements, 10 transactions (or all transactions if less than 10) were selected and supporting documentation was obtained. Each transaction was supported by an original itemized receipt that identified what was purchased, written documentation of individuals in meals for meal charges.

No exceptions were noted during the above procedures.

### Travel and Travel-Related Expense Reimbursements (excluding card transactions)

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
  - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (Procedure 1h).
  - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Findings:** We obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and obtained management's representation that the listing is complete. We randomly selected five reimbursements and obtained the supporting documentation to observe how the reimbursement was determined, what the purpose was, and if the reimbursement was approved appropriately.

No exceptions were noted during the above procedures.

### Contracts

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
  - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

**Findings:** We obtained a list of all contracts in effect during the fiscal period and management's representation that the listing is complete. We observed that the contract was in accordance with the Louisiana Public Bid Law and observed that the contract was approved by the governing body/board. We randomly selected one payment from the fiscal period, the supporting invoice, and agreeing the invoice to the contract terms.

No exceptions were noted on the above procedures.

## Payroll and Personnel

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Findings:** We obtained a listing of employees with their related salaries and randomly selected five employees to determine if compensation paid to them was in compliance with the terms of their employment contract. We also checked for any changes made to hourly pay rates/salaries during the fiscal period

No exceptions were noted on the above procedures.

17. Randomly select one pay period during the fiscal period. For the five employees or officials selected under Procedure 16, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Findings:** We randomly selected five employees to determine if each selected employee documented their daily attendance and leave, whether there was written documentation that supervisors approved the attendance and leave of the selected employees/ officials, and whether there was a written documentation that the Town maintained written leave record on the selected employees.

No exceptions were noted during the above procedures.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

**Findings:** We inquired with management as to whether any employees/ officials were terminated during the fiscal period.

No exceptions to the above procedures.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Findings:** We reviewed remittances and cancelled checks to verify payroll taxes were remitted timely to appropriate agencies.

No exceptions were noted during the above procedures.

## Ethics

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20. Using the five randomly selected employees/officials from Procedure 16 under "Payroll and Personnel" obtain ethics documentation from management, and:
  - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Findings:** For the five employees selected from Procedure 16, we observed documentation that demonstrates each employee completed one hour of ethics training during the fiscal period and documentation that demonstrates each employee attested through signature verification that he/she has read the Town's policy during the fiscal period.

No exceptions were noted during the above procedures.

## Debt Service

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

**Findings:** The Town does not have debt.

No exceptions were noted during the above procedures.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Findings:** The Town does not have debt.

No exceptions were noted during the above procedures.

## Fraud Notice

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Findings:** Management is not aware of any misappropriation of public funds.

No exceptions were noted during the above procedures.

24. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Findings:** Management has posted on its premises and website the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were noted during the above procedures.

### Information Technology Disaster Recovery/Business Continuity

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25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test was successfully performed within the past three months.
  - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Findings:** We obtained the Town's most recent documentation that it had backed up their critical data and verified that the backups can be restored.

No exceptions were noted during the above procedures.

### Sexual Harassment

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26. Using the five randomly selected employees/officials from Procedure 16 under "Payroll and Personnel", obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

**Findings:** After reviewing documentation from management, all employees were required to complete sexual harassment training for the year.

No exceptions were noted during the above procedures.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

**Findings:** The sexual harassment policy has been posted in a conspicuous location at Town Hall.

No exceptions were noted during the above procedures.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**Findings:** The Town had zero sexual harassment complaints for 2022.

No exceptions were noted during the above procedures.